

**TOWN OF PORTOLA VALLEY**  
**Regular Meeting of the Town Council**  
**Wednesday, October 23, 2024**  
**7:00 PM**

Sarah Wernikoff, Mayor  
Judith Hasko, Vice Mayor  
Jeff Aalfs, Councilmember  
Mary Hufty, Councilmember  
Craig Taylor, Councilmember

HYBRID MEETING

**A G E N D A**

**HISTORIC SCHOOLHOUSE - 765 Portola Road, Portola Valley, CA 94028**

Councilmember Jeff Aalfs will be participating remotely from:  
Dakota Dunes Country Club, 960 S Dakota Dunes Blvd  
Dakota Dunes, SD 57049

**Remote Public Comments:** Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please submit your comments using this [online form](#) by 1:00 PM on the day of the meeting. Time permitting, your correspondence will be uploaded to the website. All received questions will be forwarded to Council, Commission, or Committee members for consideration during the meeting and included in the public record. Additionally, technology permitting, the public body will take questions using the Raise Hand button for those who attend the meeting online or by phone. Phone callers may provide comments by pressing \*9 on their phone to "raise your hand" and \*6 to mute/unmute themselves. The meeting Chair will call on people to speak by the phone number calling in. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full participation.

**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](mailto: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/89841318418?pwd=0gQKJm5XpEw7ji4btOXkbiGFIRAhzb.1>

**Webinar ID:** 898 4131 8418

**Passcode:** 613004

**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. PRESENTATIONS / PROCLAMATIONS**
- 3. TOWN MANAGER REPORT**

*There are no written materials, and the Town Council does not take action under this agenda item.*

- 4. ORAL COMMUNICATIONS**

*Persons wishing to address the Town Council on any subject may do so now. Please note, however, the Council is not able to undertake extended discussion or action on items not on the agenda. Each speaker's time is limited to three (3) minutes.*

**5. CONSENT AGENDA**

- a. **Approve** Regular Meeting Minutes of October 9, 2024
- b. **Re-approve** Regular Meeting Minutes of March 27, 2024
- c. **Re-approve** Regular Meeting Minutes of April 10, 2024
- d. **Re-approve** Regular Meeting Minutes of April 24, 2024
- e. **Review and Accept** Warrant List of October 23, 2024
- f. **Adopt** Resolution authorizing Charles Schwab to add the Interim Town Manager and Finance Director, and remove former Town Manager, as authorized agents of the Charles Schwab investment account

**6. REGULAR AGENDA**

- a. General Fund Reserve and impacts on current and future year budgets

**7. COUNCIL SUBCOMMITTEE, LIAISON COMMITTEE, AND REGIONAL AGENCIES REPORTS**

*Oral and written reports arising out of Council subcommittee and liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.*

**8. ADJOURNMENT**

*The next Regular Town Council meeting will be held on November 13, 2024, at 7:00 p.m.*

## **PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING MINUTES – OCTOBER 9, 2024**

### 1. CALL TO ORDER / ROLL CALL

Mayor Wernikoff called the Regular Meeting to order at 7:01 p.m. Roll call was taken.

Present: Councilmembers Jeff Aalfs, Mary Hufty, Vice Mayor Judith Hasko and Mayor Sarah Wernikoff

Absent: Councilmember Craig Taylor

Others: Interim Town Manager Corie Stocker, Finance Director Anthony McFarlane, Community Development Director Terrence Grindall, and Clerk Consultant Christine Boland

### 2. PRESENTATIONS / PROCLAMATIONS

None.

### 3. TOWN MANAGER REPORT

Interim Town Manager Stocker updated the Town Council on several items:

- Expressed appreciation to the League of Women Voters of South San Mateo County for hosting the 2024 Council Candidate Forum on Oct. 8, 2024;
- Announced a special Council meeting would be held on October 30, at 7 p.m. to review Mid-Peninsula Open Space District's Hawthorne area plan project;
- Thanked staff members Tony McFarland for his work on the Town's finances and retiring Sr. Management Analyst, Kari Chinn;
- Noted the Town's Housing Element has not received recertification yet; and
- The Town's website is undergoing several updates.

### 4. ORAL COMMUNICATIONS

The following members of the public addressed the Town Council:

- Dale Pfau
- Carolyn Vertongen
- Duff Sunheim
- Rita Comes
- Kristi Corley

### 5. CONSENT AGENDA

Mayor Wernikoff invited public comment on the Consent Agenda.

The following members of the public provided comment:

- Dale Pfau

Councilmember Aalfs moved approval of the Consent Agenda items a, c, d, e, f, and g, seconded by Vice Mayor Hasko. Motion carried 4 – 0 – 1. Councilmember Taylor was absent.

- Approve Regular Meeting Minutes of September 25, 2024
- Approve Special Meeting Minutes of September 19, 2024

Councilmember Aalfs noted his attendance at the meeting. Councilmember Aalfs made a motion to approve the Minutes of September 19, 2024, as amended, Page 1, to delete his name appearing under “Absent,” seconded by Vice Mayor Hasko. The motion carried by 4 – 0 – 1. Councilmember Taylor was absent.

- Approve Special Meeting Minutes of March 18, 2024 (Workshop)
- Approve Regular Meeting Minutes of March 13, 2024
- Approve Regular Meeting Minutes of January 24, 2024
- Approve Warrant Lists of September 30, 2024 and October 9, 2024
- Adopt Resolution No. 2949-2024, Approving and Authorizing Disposition of Surplus Town-Owned Property
- Approve response to San Mateo County Grand Jury Report: “Restaurant Exteriors: The Neglected Space.”

Vice Mayor Hasko proposed amending the response to the Grand Jury, Page 1, Finding F1:

Finding F1. Sanitary conditions of the exterior of restaurant facilities fall outside current inspections of the County Health Department. The varying unsatisfactory conditions in the waste removal areas of the facilities shows something is lacking in the regulatory process, to state:

Response: The Town of Portola Valey agrees with the first sentence of this finding. The Town does not have information available to agree or disagree with the second sentence in Finding F1.

Community Development Director Terrance Grindall addressed Council and agreed with the proposed amendment on Page 31. A motion was made by Councilmember Hufty, seconded by Vice Mayor Hasko. The motion carried by 4 – 0 – 1. Councilmember Taylor was absent.

## 6. REGULAR AGENDA

- a. Consideration of Awarding a Contract to Matrix Consulting Group for a User Fee/Nexus Study, in an amount not to exceed \$66,000

Director of Finance Tony McFarlane, presented the report, noting the industry standard is five years and a study had not been conducted in almost 10 years. Mr. McFarlane answered questions of Council.

The following members of the public provided comment:

- Dale Pfau
- Karen Askey
- Peter Lipman
- Kristi Corley
- Ronny Krashinsky
- Danna Breen

A motion was made by Councilmember Aalfs to approve a contract with Matrix Consulting Group for a User Fee and Nexus Study, in an amount not to exceed \$66,000, seconded by Councilmember Hufty. The motion carried by 3 – 1 – 1, with Mayor Wernikoff voting no. Councilmember Taylor absent.

- b. Consideration of approving Town Manager Employment Agreement and Budget Amendment

Town Attorney Engberg outlined provisions contained in the agreement for Corie Stocker-Pedalino to act as Interim Town Manager, for three and one-half months, or until a new Interim Town Manager could be hired. She noted the agreement also authorizes a budget amendment up to \$50,000 for consultant services to backfill the vacant Town Clerk position.

The following members of the public provided comment:

- Dale Pfau
- Rita Comes
- Carolyn Vertongen
- Cathryn Gawne
- Danna Breen
- Kristi Corley
- Vicki Baker

A motion was made by Councilmember Aalfs, seconded by Councilmember Hufty, to approve an Employment Agreement with Ms. Stocker-Pedalino and accompanying budget amendment of up to \$50,000. The motion carried by 4 – 0 – 1. Councilmember Taylor was absent.

c. Discussion of Revenue Enhancement options Under Consideration by the Finance Committee

Mayor Wernikoff read prepared remarks into the record regarding the existing structural deficit, due to costs associated with increasing expenses and Housing Element expenses. She called upon the Town Attorney Engberg, who presented three possible scenarios to enhance revenue for the Town.

Town Attorney Engberg stated Scenario 1 (Utility Users Tax) would temporarily divert two (2%) percent of the Utility Users Tax from Open Space Fund to the Town's General Fund for a fixed period of time, noting that a simple majority (50% +1) would be required to pass. This option could be placed on the March, 2025 special election ballot, if a declaration of fiscal emergency is passed by the Town Council.

Further, Ms. Engberg outlined Scenario 2 (Parcel Tax), would impose a parcel tax at a fixed rate for a fixed period of time, noting that a super majority (2/3rds, or 66.67%) would be required to pass. This option could be placed on the March, 2025 special election ballot, if a declaration of fiscal emergency is passed by the Town Council.

Finally, Ms. Engberg outlined Option 3, (Charter City, plus companion Real Estate Transfer Tax (RETT)) is an option to become a charter city, pursuant to procedures in the Government Code and adopt a companion Real Estate Transfer Tax. A simple majority (50% +1) would be required to pass. This option is only available to be placed on a Statewide general election and the soonest could be the November 2026 ballot.

Council discussion ensued but no action was taken on the item. Mayor Wernikoff stated the Finance Committee would be meeting to discuss the three scenarios above on Tuesday, October 15, 2024. She invited public comments.

The following members of the public provided comment:

- Kristi Corley

7. COUNCIL SUBCOMMITTEE, LIAISON COMMITTEE, AND REGIONAL AGENCIES REPORTS

Councilmembers provided several updated on the committees they attended:

Councilmember Aalfs reported on the Emergency Services Committee; Councilmember Hufty reported on the Bicycle, Pedestrian, and Traffic Safety Committee and the Skyline Boulevard project; Vice Mayor Hasko reported on interviews held with recruiting firms to assist in the selection of an Interim Town Manager, following Ms. Stocker-Pedalino's assignment, and held interviews to select members of the ad hoc Site Evaluation Committee.

The following members of the public provided comment:

- Carolyn Vertongen

8. ADJOURNMENT

Mayor Wernikoff adjourned the meeting at 9:05 p.m.

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Sarah Wernikoff, Mayor

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Christine Boland, Clerk Consultant

Submitted for Council approval – October 23, 2024

DRAFT



# TOWN OF PORTOLA VALLEY STAFF REPORT

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**TO:** Mayor and Members of the Town Council

**FROM:** Corie Stocker, Interim Town Manager

**DATE:** October 23, 2024

**RE:** **Readoption of Council Minutes:** March 27, April 10 and April 24, 2024

## **RECOMMENDATION**

Staff recommends the Town Council re-adopt three sets of previously adopted Minutes, due to missing information.

## **BACKGROUND**

The Town Council adopted the Minutes of March 27, April 10 and April 24, 2024, respectively, at its regular Council meetings earlier in the year. However, upon review, it was discovered that pertinent information was missing from the records. A red-lined version of the proposed Minutes is attached in order for the Council to compare the difference from the originally-adopted Minutes.

## **FISCAL IMPACT**

None

## **ATTACHMENT**

1. Red-lined versions of proposed Minutes with accompanying previously adopted Minutes



## PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING MINUTES - MARCH 27, 2024

### 1. CALL TO ORDER- REGULAR SESSION

Vice Mayor Hasko called the meeting to order at 7:00 p.m., noting Mayor Sarah Wernikoff was not present. Interim Town Clerk Diego Ramirez called Roll Call.

Present: Councilmembers Jeff Aalfs, Mary Hufty, Craig Taylor and Vice Mayor Hasko

Absent: Mayor Sarah Wernikoff

Others: Town Manager Sharif Etman, Town Attorney Catherine Engberg and Interim Town Clerk Diego Ramirez

### 2. PRESENTATIONS

#### a. Farmers Market Good Roots

Farmers Market representative “Joe” discussed the upcoming market season and new vendors included. He responded to Council questions.

#### b. Sequoia Healthcare District

Jerry Shefren, Board Member and Pamela Kurtzman, CEO, of the Sequoia Healthcare District, provided an update on the District’s services in San Mateo County. Council questions were answered by Mr. Schefren and Ms. Kurtzman.

### 3. TOWN MANAGER REPORT

Town Manager Etman welcomed Interim Town Clerk, Diego Ramirez. He discussed several items worth noting: a successful Council retreat on March 18, new Town Hall hours, noting closure on Fridays, recent Finance Committee meeting and upcoming financial audits, a budget study session and the decertification of the Town’s Housing Element.

### 4. ORAL COMMUNICATIONS

The following members of the public addressed the Town Council:

- Rita Comes
- Kristi Corley

### 5. CONSENT AGENDA

Councilmember Hufty requested to remove Item 5a for separate discussion. Town Manager Etman requested to remove Item 5b due to missing attachments.

The following member of the public provided comment:

- Rita Comes

#### a. Approval of Warrant List for March 27, 2024

Following discussion, regarding the Town contribution to PV Palooza, Councilmember Taylor made a motion to approve Consent Calendar item 5.a., seconded by Councilmember Aalfs. Motion passed by unanimous roll call vote. Mayor Wernikoff was absent.

b. Approval of Pinpoint Contract (Removed from Consent Agenda)

No action was taken on this contract.

Councilmember Taylor made a motion to approve Items 5 c. and 5 d., seconded by Councilmember Hufty. Motion passed by unanimous roll call vote. Mayor Wernikoff was absent.

c. Approval of Committee and Commission Assignment updates

d. Approval of Waiver of Conflict Leigh Prince

6. REGULAR AGENDA

a. Approve Maze & Associates agreements for FY 2021-22 and 2022-23 for Auditing Services

Town Manager Etman discussed the need for Maze & Associates to perform the audits and address any findings in the reports. Councilmember Hufty inquired about the scope of services and if an audit committee is needed. Town Manager Etman stated the Town has a Finance and Audit Committee.

The following member of the public provided comment:

- Rita Comes

Councilmember Hufty made a motion to approve Consent Agenda item 6.a., seconded by Councilmember Taylor. Motion passed by unanimous roll call vote. Mayor Wernikoff was absent.

7. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

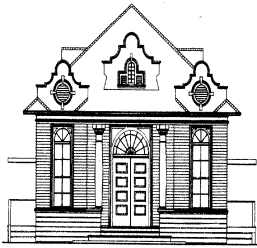
Councilmember Taylor reported on three recent meetings (Finance, Architectural Site Control and a Fire Protection District.) Councilmember Hufty reported on a Conservation subcommittee. Vice Mayor Hasko discussed the evacuation plan.

The following member of the public provided comment:

- Kristi Corley

8. ADJOURNMENT

Vice Mayor Hasko adjourned the meeting at 8:29 p.m.



**TOWN OF PORTOLA VALLEY**  
**Historic Schoolhouse**  
**765 Portola Road**  
**Portola Valley, CA 94028**

**Sarah Wernikoff**, Mayor  
**Judith Hasko**, Vice Mayor  
**Mary Hufty**, Councilmember  
**Craig Taylor**, Councilmember  
**Jeff Aalfs**, Councilmember

**COUNCIL MINUTES- REGULAR MEETING**  
**WEDNESDAY- March 27, 2024**

**1. CALL TO ORDER- REGULAR SESSION**

The Wednesday, March 27, 2024, Regular Meeting of the Mayor and Council of the Town of Portola Valley convened at approximately 7:00 PM.

**Regular Session Roll Call**

**Present:** Vice Mayor Hasko, and Councilmembers Aalfs, Hufty, and Taylor  
Mayor Sarah Wernikoff was Absent.

**2. PRESENTATIONS**

- Farmers Market Good Roots
  - All Town Councilmembers commented and asked questions after presentation.
- Sequoia Health Care District 10
  - All Town Councilmembers commented and asked questions after presentation.

**3. TOWN MANAGER REPORT**

*There are no written materials, and the Town Council does not take action under this agenda item.*

Public Comment: None

**4. ORAL COMMUNICATIONS**

The following spoke during oral communications:

- Rita Comes
- Kristi C

**5. CONSENT AGENDA**

Item 5a was pulled by Councilmember Hufty

Item 5b was pulled by Town Manager Etman from the agenda for missing attachments.

The following spoke during public comment for items on the consent agenda:

- Rita Comes

Vice Mayor Hasko asked for a motion to approve Items 5 c., and 5 d.

Councilmember Taylor made a motion, seconded by Hufty. Motion passed by the following.

**Ayes:** Councilmembers. Aalfs, Hufty, Taylor, and Vice Mayor Hasko

**Nays:** None.

Councilmember Hufty pulled Item 5 a. Warrant list for discussion.

Vice Mayor Hasko asked for a motion to approve Items 5 a.

Councilmember Taylor made a motion, seconded by Aalfs. Motion passed by the following vote

**Ayes:** Councilmember Aalfs, Hufty, Taylor, and Vice Mayor Hasko  
**Nays:** None.

## 6. REGULAR AGENDA

- Maze & associates agreements for FY 2021-22 & 2022-23  
Town Manager, Sharif Etman introduced the item. Councilmember Hufty asked questions about audits.

The following spoke in public comments:

- Rita Comes

Vice Mayor Hasko asked for a motion to approve Items 6 a.

Councilmember Hufty made a motion, seconded by Councilmember Taylor, to approve Item 6 a. on the regular agenda. The motion passed by the following vote:

**Ayes:** Aalfs, Hufty, Taylor, Hasko  
**Nays:** None

## 7. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Oral and written reports arising out of liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.

The following spoke in public comments:

- Kristi C

## 8. ADJOURNMENT

At 8:29 PM, the Vice Mayor adjourned the March 27, 2024 meeting. The next Regular Town Council meeting will be held on January 24, 2024, at 7:00 PM

## PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING MINUTES - APRIL 10, 2024

### 1. CALL TO ORDER AND ROLL CALL –REGULAR SESSION

Mayor Wernikoff called the meeting to order at 7:00 p.m., noting she was attending remotely from Hotel June, 8639 Lincoln Blvd., Los Angeles, Calif. Interim Town Clerk Ramirez called the roll call.

Present: Councilmember Jeff Aalfs, Mary Hufty, Craig Taylor, Vice Mayor Judith Hasko and Mayor Sarah Wernikoff

Absent: None

Others: Town Manager Sharif Etman, Town Attorney Catherine Engberg, Assistant Town Manager Corie Stocker, Interim Town Clerk Diego Ramirez

### 2. PRESENTATIONS

None.

### 3. TOWN MANAGER REPORT

Town Manager Etman announced the April 24, 2024 “State of the Town” study session has been scheduled and stated a new building and planning director would be starting soon.

### 4. ORAL COMMUNICATIONS

The following members of the public addressed Town Council:

- Dale Pfau
- Caroline Vertongen

### 5. CONSENT AGENDA

Consent Agenda items 5.b., 5.c. and 5.f. were pulled for separate discussion.

Public Comment:

The following members of the public provided comment:

- Rita Comes

Councilmember Aalfs made a motion, seconded by Councilmember Taylor, to approve the Consent Agenda items 5.a., 5.d. and 5.e. Motion passed by unanimous roll call vote.

a. Approval of Regular Meeting Minutes of March 27, 2024

Back in Session after 10 minute break at 8:54 p.m.

b. Approval of Warrant List for April 10, 2024

Councilmember Hufty requested that staff provide a different format for presenting the Warrant List, if possible.

Vice Mayor Hasko made a motion, seconded by Councilmember Taylor, to approve the Consent Agenda item 5.b. Motion passed by unanimous roll call vote.

c. Approval of Town Manager Claims Authority

Town Attorney Engberg responded to questions of Vice Mayor Hasko regarding claims and claims limits.

Councilmember Taylor, made a motion, seconded by Councilmember Hufty, to approve the Consent Agenda items 5.c. Motion passed by unanimous roll call vote.

d. Approval of Pinpoint Contract

e. Approval of Resolution No. 2942-2024, Approving Modifications to the Town of Portola Valley Purchasing and Inventory Control Policy

f. Approval of Resolution No. 2947-2024, Approving Consumer Price Index / Cost of Living Adjustment for Town Staff

Councilmember Taylor inquired about the practice of deciding what the cost increases are and if there's a written Town policy. Town Manager Etman responded and explained the standard practice of providing CPI adjustments for Town Staff. He would like to add to the policy that the same month is used for comparison purposes, as well as a floor and ceiling.

Councilmember Aalfs moved approval of a Resolution No. 2942-2024, Approving the Consumer Price Index / Cost of Living of Three percent (3%) for Town Staff. Councilmember Hufty seconded the motion. Motion passed by unanimous roll call vote.

## 6. REGULAR AGENDA

a. Approve Annual Housing Element Progress Report for 2023

Adrienne Smith, Senior Planner, provided an update on the Housing Element Progress Report for 2023.

The following members of the public provided comment:

- David Cardinal
- Rita Comes
- Caroline Vertongen
- Jim White

Councilmember Hufty made a motion, seconded by Councilmember Hasko, to approve receipt of the progress report for 2023. The motion passed by unanimous roll call vote.

b. Subcommittee Report, Remaining Post-Adoption Plan Activities

The following spoke in public comments:

- Rita Comes

Councilmember Aalfs made a motion, seconded by Councilmember Hufty, to approve accept the subcommittee report on post-adoption plan activities. The motion passed by unanimous roll call vote.

**7. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS**

The following spoke in public comments:

- Caroline Vertongen

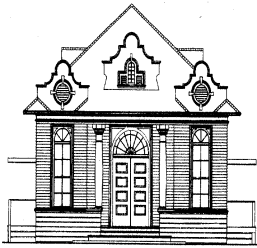
**8. ADJOURNMENT**

At 9:47 p.m. the Vice Mayor Hasko adjourned the meeting. The next regular meeting will be held on April 24, 2024, at 5:30 PM

Sarah Wernikoff, Mayor

Diego Ramirez, Interim Town Clerk

Submitted for readoption at the October 23, 2024 Council meeting



**TOWN OF PORTOLA VALLEY**  
**Historic Schoolhouse**  
**765 Portola Road**  
**Portola Valley, CA 94028**

**Sarah Wernikoff**, Mayor  
**Judith Hasko**, Vice Mayor  
**Mary Hufty**, Councilmember  
**Craig Taylor**, Councilmember  
**Jeff Aalfs**, Councilmember

**COUNCIL MINUTES- REGULAR**  
**MEETING WEDNESDAY- April 10, 2024**

**1. CALL TO ORDER- REGULAR SESSION**

The Wednesday, April 10<sup>th</sup>, 2024, Regular Meeting of the Mayor and Council of the Town of Portola Valley convened at approximately 7:01pm.

**Regular Session Roll Call**

**Present:** Vice Mayor Hasko, and Councilmembers Aalfs, Hufty, and Taylor  
Mayor Sarah Wernikoff was remote.

**2. PRESENTATIONS**

None

**3. TOWN MANAGER REPORT**

*There are no written materials, and the Town Council does not take action under this agenda item.*

**4. ORAL COMMUNICATIONS**

The following spoke during oral communications:

- Dale Pfau
- Caroline Vertongen

**5. CONSENT AGENDA**

Item 5f was pulled by Councilmember Taylor, Item 5b was pulled by Councilmember Hufty, and Item 5c was pulled by Vice Mayor Hasko.

The following spoke during public comment for items on the consent agenda:

- Rita Comes

Mayor Wernikoff asked for a motion to approve Items 5a, 5d, and 5e.

Councilmember Aalfs made a motion, seconded by Taylor. Motion passed by the following vote.

**Ayes:** Councilmembers. Aalfs, Hufty, Taylor, Vice Mayor Hasko and Mayor Wernikoff

**Nays:** None.

Mayor Wernikoff asked for a motion to approve Items 5b.

Vice Mayor Hasko made a motion, seconded by Taylor. Motion passed by the following vote.

**Ayes:** Councilmembers. Aalfs, Hufty, Taylor, Vice Mayor Hasko and Mayor Wernikoff

**Nays:** None.

Mayor Wernikoff asked for a motion to approve Items 5c.

Councilmember Aalfs made a motion, seconded by Hufty. Motion passed by the following vote.

**Ayes:** Councilmember Aalfs, Hufty, Taylor, Vice Mayor Hasko, Mayor Wernikoff



**Nays:** None.

Mayor Wernikoff asked for a motion to approve Items 5f.

Councilmember Aalfs made a motion, seconded by Hufty. Motion passed by the following vote.

**Ayes:** Councilmembers. Aalfs, Hufty, Taylor, Vice Mayor Hasko and Mayor Wernikoff

**Nays:** None.

## 6. REGULAR AGENDA

- Item 6a Annual Housing Element Progress Report for 2023

The following spoke in public comments:

- David Cardinal
- Rita Comes
- Carolina Vertongen
- Jim White

Mayor Wernikoff asked for a motion to approve to receive report Items 6 a.

Councilmember Hufty made a motion, seconded by Councilmember Hasko, to approve to receive Item 6 a. on the regular agenda. The motion passed by the following vote:

**Ayes:** Councilmember Aalfs, Hufty, Taylor, Vice Mayor Hasko, Mayor Wernikoff

**Nays:** None

### Back in Session after 10-minute break at 8:54 PM

- Item 6b Subcommittee Report, Remaining Post-Adoption Plan Activities

The following spoke in public comments:

- Rita Comes

Mayor Wernikoff asked for a motion to approve Items 6 b.

Councilmember Aalfs made a motion, seconded by Councilmember Hufty, to approve Item 6 a. on the regular agenda. The motion passed by the following vote:

**Ayes:** Councilmember Aalfs, Hufty, Taylor, Vice Mayor Hasko, Mayor Wernikoff

**Nays:** None

## 7. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Oral and written reports arising out of liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.

The following spoke in public comments:

- Caroline Vertongen

## 8. ADJOURNMENT

At 9:47 PM, the Vice Mayor adjourned the April 10, 2024 meeting. The next Regular Town Council meeting will be held on April 24, 2024, at 5:30 PM

## PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING MINUTES - APRIL 24, 2024

### 1. CALL TO ORDER / ROLL CALL

Mayor Wernikoff called the meeting to order at 5:36 p.m. Interim Town Clerk Ramirez called the roll call.

Present: Councilmembers Jeff Aalfs, Mary Hufty, Criag Taylor, Vice Mayor Judith Hasko and Mayor Sarah Wernikoff

Absent: None

Others: Town Manager Sharif Etman, Town Attorney Catherine Engberg, Assistant Town Manager Corie Stocker, Administrative Services Manager Cindy Rodas, Interim Town Clerk Diego Ramirez

### 2. STUDY SESSION

#### a. State of the Town and Financial Outlook

Town Manager Etman provided a high-level look at the financial condition of the Town, entitled "State of the Town," noting a growing structural deficit, for numerous reasons. Mr. Etman discussed all revenues and expenditures of the town and the need to plan for additional revenue generation measures to offset growing expenses. He stated the annual budget would be presented in June, with a revision presented in September. George Savage, chair of the Finance Committee, stated the process going forward is a good one, as outlined by the Town Manager.

Councilmembers entered into a question and answer session with Town Manager Etman.

The following members of the public addressed the Town Council:

- Mida Jones
- Caroline Vertongen
- Peter Lipman
- Rita Comes
- Greg Franklin
- Kristi Corley

### 3. CALL TO ORDER

The regular meeting convened at 7:25 p.m.

### 4. PRESENTATIONS/PROCLAMATIONS

None.

5. TOWN MANAGER REPORT

Town Manager Etman welcomed Romeo Herrera, new Building and Planning Director, congratulated the 2024 Volunteer of the Year, Patti Dewes, and thanked John Biggs for professional his expertise. Finally, Mr. Etman announced a new Finance Director is expected to joint Town Hall soon.

6. ORAL COMMUNICATIONS

The following members of the public addressed the Town Council:

- Tim Clarke
- Liv Madhani
- Caroline Vertongen
- Rita Comes
- Dave Strohm

7. CONSENT AGENDA

Mayor Wernikoff asked for a motion to approve the Consent Agenda:

Councilmember Aalfs made a motion, seconded by Mayor Wernikoff, to approve the Consent Agenda items a and b. Motion passed by unanimous roll call vote.

- a. Approval of Regular Meeting Minutes of April 10, 2024
- b. Approval of Warrant List for April 10, 2024

8. REGULAR AGENDA

- a. Accept Town Council Priorities

Assistant Town Manager Stocker reviewed the following Town Council Priorities, as discussed at the March 18, 2024 priority setting retreat.

- Fiscal responsibility and long-term viability;
- Safety;
- Responsible Land Use;
- Organization Efficiency and Effectiveness; and
- Environmental Sustainability.

Assistant Town Manager Stocker provided suggestions on how to achieve each goal.

The following members of the public provided comment:

- Kristi Corley

Mayor Wernikoff called the question. Councilmember Taylor moved approval of the five Town Council priorities, seconded by Councilmember Aalfs. The motion carried by unanimous roll call vote.

- b. Adopt a Resolution Clarifying the Policy regarding the Procedures for Councilmembers to Request Future Council Agenda Items

The Council reviewed at great length the procedures for requesting future agenda items. The proposed resolution contained two ways to place an item on the agenda, either by a request of the Town Manager or by a vote of a majority of Town Council.

The following members of the public provided comment:

- Rita Comes
- Caroline Vertongen
- Kristi Corley

Mayor Wernikoff asked for a motion to approve Item 8 b. Councilmember Hufty made a motion, seconded by Councilmember Aalfs, to adopt a Resolution No. 2948-2024, Clarifying the Policy regarding the Procedures for Councilmembers to Request Future Council Agenda items. The motion passed 4 - 1, with Vice Mayor Hasko dissenting.

9. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Councilmembers Aalfs and Hufty reported on their respective subcommittees, Evacuation Plan and Conservation.

10. ADJOURNMENT

Mayor Wernikoff adjourned the meeting at approximately 8:48 p.m.

Sarah Wernikoff, Mayor

Diego Ramirez, Interim Town Clerk

Submitted to Town Council for readoption on Oct. 23, 2024

**COUNCIL MINUTES- REGULAR MEETING  
WEDNESDAY- April 24, 2024**

**1. CALL TO ORDER-STUDY SESSION**

**2. STUDY SESSION**

The Wednesday, April 24<sup>th</sup>, 2024, Study Session of the Mayor and Council of the Town of Portola Valley convened at approximately 5:36pm.

- A State of the Town and Financial Outlook

**3. ORAL COMMUNICATIONS**

- Mida Jones
- Caroline Vertongen
- Peter Lipmen
- Rita
- Greg Franklin
- Kristi
- Greg Franklin
- Rita
- Caroline Vertongen

**4. CALL TO ORDER – REGULAR SESSION**

The Wednesday, April 24<sup>th</sup>, 2024, Regular Meeting of the Mayor and Council of the Town of Portola Valley convened at approximately 7:25pm.

**Regular Session Roll Call**

**Present:** Mayor Wernikoff, Vice Mayor Hasko, and Councilmembers Aalfs, Hufty, and Taylor

**5. PRESENTATIONS**

None

**6. TOWN MANAGER REPORT**

*There are no written materials, and the Town Council does not take action under this agenda item.*

**7. ORAL COMMUNICATIONS**

The following spoke during oral communications:

- Tim Clarke
- Liv Madhani
- Caroline Vertongen

- Rita
- Dave Strohm

## 8. CONSENT AGENDA

Mayor Wernikoff asked for a motion to approve Items 7a and 7b.

Councilmember Aalfs made a motion, seconded by Mayor Wernikoff. Motion passed by the following vote.

**Ayes:** Councilmembers. Aalfs, Hufty, Taylor, Vice Mayor Hasko and Mayor Wernikoff

**Nays:** None.

## 9. REGULAR AGENDA

- Item 8a Town Council Priorities

The following spoke in public comments:

- Kristi

Mayor Wernikoff asked for a motion to approve to receive report Items 8 a.

Taylor made a motion, seconded by Aalfs, to approve to receive Item 8 a. on the regular agenda.

The motion passed by the following vote:

**Ayes:** Councilmember Aalfs, Hufty, Taylor, Vice Mayor Hasko, Mayor Wernikoff

**Nays:** None

- Item 8b Resolution Clarifying the Policy regarding the Procedures for Councilmembers to Request Future Council Agenda Items

The following spoke in public comments:

- Rita Comes
- Caroline Vertongen
- Kristi

Mayor Wernikoff asked for a motion to approve Items 8 b.

Hufty made a motion, seconded by Aalfs, to approve Item 8b. on the regular agenda. The motion passed by the following vote:

**Ayes:** Councilmember Aalfs, Hufty, Taylor, Mayor Wernikoff

**Nays:** Vice Mayor Hasko

## 10. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Oral and written reports arising out of liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.

The following spoke in public comments:

- Kristi
- Caroline Vertongen

## 11. ADJOURNMENT

At 8:48PM, the Mayor adjourned the April 24, 2024 meeting. The next Regular Town Council meeting will be held on May 8th, 2024, at 5:30 PM



# TOWN OF PORTOLA VALLEY

## STAFF REPORT

**TO:** Mayor and Members of the Town Council

**FROM:** Tony McFarlane, Finance Director

**DATE:** October 23, 2024

**RE:** Review and Accept Warrant List

**RECOMMENDATION:**

- Review and accept the following Warrant Lists for the month of September:

10/23/2024 Warrant List

**REPORT SUMMARY**

The following table lists warrant activity by date, tracks starting and ending warrant numbers, and total amount of warrants issued.

Attached are Warrant Lists for:								
Type of Warrant	Date	Starting Warrant #	Ending Warrant #	Total Warrants	Amount	Warrants Released	Prior Warrant List	
							Date	Ending Warrant #
Warrant	10/23/2024	4606	4646	41	243,248.41	10/24/2024	10/9/2024	4605

The following table lists the warrants issued as EFT payments. EFT payments are recurring payments for contributions related to retirement and deferred compensation, workers' compensation premiums, and utilities, etc.

Warrants issued as EFT						
Date	Warrant #	Issued to	Fund	Dept	Purpose	Amount
10/23/2024	4607	Bank of America	General	Various	September Credit Card charges	\$ 7,973.70
10/23/2024	4617	Missionsquare Retirement	General	Various	Deferred Comp contributions	2,250.11
10/23/2024	4631	State Compenstion Ins Fund	General	Various	Workers Compensation premium	2,999.73
10/23/2024	4633	Verizon Wireless	General	Various	September phone charges	691.83
10/23/2024	4641	Krisch & Company	General	Finance	September service charges	4,837.50

The following table lists the warrants that were voided and the reason for the voided transaction.



Warrants Voided						
Date	Warrant #	Issued to	Fund	Dept	Reason	Amount

The following table lists the warrants issued outside of the scheduled warrant list cycle for various reasons, such as processing error, reissuing a voided check, or employee separation.

Warrants Issued Outside of a Scheduled Warrant List						
Date	Warrant #	Issued to	Fund	Dept	Purpose	Amount

## DISCLOSURE

There were no warrants issued.

Disclosure						
Date	Warrant #	Issued to	Fund	Dept	Purpose	Amount

For additional information on any item disclosed in this report, please contact the Finance department directly at [amcfarlane@portolavalley.net](mailto:amcfarlane@portolavalley.net).

## ATTACHMENTS

1. 10/23/2024 Warrant List

**TOWN OF PORTOLA VALLEY**  
**Warrant Disbursement Journal**  
**October 23, 2024**

Claims totaling \$243,248.41 having been duly examined by me and found to be correct are hereby approved and verified by me as due bills against the Town of Portola Valley.

Date \_\_\_\_\_

\_\_\_\_\_  
Corie Stocker, Assistant Town Manager

Motion having been duly made and seconded, the above claims are hereby approved and allowed for payment.

Signed and sealed this (Date) \_\_\_\_\_

\_\_\_\_\_  
Anthony McFarlane, Finance Director

\_\_\_\_\_  
Mayor

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
Checks for Cash Account: 910-11011-000						
4606	41	AT&T	295.40	10/23/24		
4607	44	BANK OF AMERICA	7,973.70	10/23/24		EFTPS
4608	67	BSN SPORTS	17.27	10/23/24		
4609	121	SCA OF CA, LLC	2,095.00	10/23/24		
4610	124	COMCAST	497.30	10/23/24		
4611	135	CSG CONSULTANTS INC	17,422.00	10/23/24		
4612	176	EXCEL LD	18.56	10/23/24		
4613	179	FEDEX	32.95	10/23/24		
4614	195	GOOD CITY COMPANY	71,902.50	10/23/24		
4615	203	GREEN HALO SYSTEMS	114.00	10/23/24		
4616	213	HILLYARD INC	723.33	10/23/24		
4617	218	MISSIONSQUARE RETIREMENT	2,250.11	10/23/24		EFTPS
4618	245	JEANNIE GOLDMAN	7,094.00	10/23/24		
4619	275	KRUPKA CONSULTING	3,150.00	10/23/24		
4620	295	LYNX TECHNOLOGIES INC	675.00	10/23/24		
4621	324	MIRANDAS LANDSCAPE	3,159.00	10/23/24		
4622	373	PITNEY BOWES INC.	148.48	10/23/24		
4623	374	PLAN JPA	994.50	10/23/24		
4624	375	PLATINUM FACILITY SERVICES	4,936.68	10/23/24		
4625	376	PORTOLA VALLEY HARDWARE	675.97	10/23/24		
4626	403	RON RAMIES AUTOMOTIVE INC.	456.24	10/23/24		
4627	413	SANGINI MAJMUDAR BEDNER	4,068.80	10/23/24		
4628	429	SHELLY SWEENEY	2,208.00	10/23/24		
4629	437	SMALL BUSINESS BENEFIT PLAN TR	1,760.00	10/23/24		
4630	445	STANDARD INSURANCE CO.	1,089.58	10/23/24		
4631	448	STATE COMP INSURANCE FUND	2,999.73	10/23/24		EFTPS
4632	484	TYLER TECHNOLOGIES INC	400.00	10/23/24		
4633	489	VERIZON WIRELESS	691.83	10/23/24		EFTPS
4634	505	WOODSIDE FIRE PROTECTION DISTR	28,550.15	10/23/24		
4635	518	GOT GOPHERS?	1,050.00	10/23/24		
4636	553	COUNTY OF SAN MATEO-PSC	35,810.75	10/23/24		
4637	642	CYBERTARY.COM	749.07	10/23/24		
4638	744	PATTY DEWES	1,747.11	10/23/24		
4639	860	STEPFORD	6,286.02	10/23/24		
4640	864	DAILY POST	281.25	10/23/24		
4641	1067	KRISCH & COMPANY	4,837.50	10/23/24		ACH
4642	1191	JAMES RAKELA DBA QUAIL VALLEY	5,578.38	10/23/24		
4643	1194	CHRISTINA ONASICK	100.00	10/23/24		
4644	1195	LEAF CAPITAL FUNDING, LLC	620.75	10/23/24		
4645	1196	AMBER LA	100.00	10/23/24		
4646	1197	CHRISTINE D. BOLAND	19,687.50	10/23/24		



Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor: 10/23/24	41 4606	AT&T September Statement September Statement September Statement	295.40	59.29 176.82 59.29	000022400989 000022400990 000022400991
Vendor:	44 4607	BANK OF AMERICA September Credit Card Statement	7,973.70	7,973.70	1388-SEP24
Vendor:	67 4608	BSN SPORTS Heavy Duty Anti-whip Net	17.27	17.27	927056649
Vendor:	121 4609	SCA OF CA, LLC September Litter/Street Clean	2,095.00	2,095.00	2024-009331
Vendor:	124 4610	COMCAST WIFI-10.16.2024-11.15.2024	497.30	497.30	7290-OCT24
Vendor:	135 4611	CSG CONSULTANTS INC August Code Enforcement, Bldg Svcs, In House	17,422.00	17,422.00	AUG-2024
Vendor:	176 4612	EXCEL LD September Telephone LD Services	18.56	18.56	1198680250
Vendor:	179 4613	FEDEX Expedited Delivery Service, September	32.95	32.95	8-626-23799
Vendor:	195 4614	GOOD CITY COMPANY Planning Consultant Services - September 2024	71,902.50	71,902.50	3788
Vendor:	203 4615	GREEN HALO SYSTEMS Oct Hosting & Access	114.00	114.00	5258
Vendor:	213 4616	HILLYARD INC Janitorial Supplies	723.33	723.33	605620299
Vendor:	218 4617	MISSIONSQUARE RETIREMENT Deferred Comp - October 15, 2024	2,250.11	2,250.11	OCT-202415
Vendor:	245 4618	JEANNIE GOLDMAN Spring 2024 Classes Winter 2024 Classes	7,094.00	2,507.00 4,587.00	SPRING-2024 2 WINTER-2024
Vendor:	275 4619	KRUPKA CONSULTING Traffic Planning	3,150.00	3,150.00	1420

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor:	295	LYNX TECHNOLOGIES INC			
	4620	GIS Professional Services in Aug Sept 2024	675.00	675.00	675
Vendor:	324	MIRANDAS LANDSCAPE			
	4621	September Landscape Maintenance Services	3,159.00	3,159.00	1011
Vendor:	373	PITNEY BOWES INC.			
	4622	Postage Meter Rental, Equipment & Svc 7/02/24 - 10/01/2024	148.48	148.48	1026177051
Vendor:	374	PLAN JPA			
	4623	General Liability Claims- September 2024	994.50	994.50	PLAN-0171
Vendor:	375	PLATINUM FACILITY SERVICES			
	4624	Janitorial Services - September 2024	4,936.68	4,488.67	49414
		Janitorial Services - Sept 2024. Fridays disinfection svcs		448.01	49415
Vendor:	376	PORTOLA VALLEY HARDWARE			
	4625	September Statement	675.97	675.97	193-SEP24
Vendor:	403	RON RAMIES AUTOMOTIVE INC.			
	4626	Sept Fuel Statement	456.24	456.24	G20240930-5
Vendor:	413	SANGINI MAJUMDAR BEDNER			
	4627	FALL 2024 Classes	4,068.80	4,068.80	FALL-2024
Vendor:	429	SHELLY SWEENEY			
	4628	FALL 2024 Classes	2,208.00	948.00	FALL-2024
		Summer 2024 Classes		1,260.00	SUMMER-2024
Vendor:	437	SMALL BUSINESS BENEFIT PLAN TR			
	4629	Nov Dental/Vision	1,760.00	1,760.00	NOV-2024
Vendor:	445	STANDARD INSURANCE CO.			
	4630	LTD/Life Premium	1,089.58	544.79	2024-AUG
		LTD/Life Premium		544.79	2024-SEP
Vendor:	448	STATE COMP INSURANCE FUND			
	4631	Mandatory Surcharges Premium 10/06/2024-10/06/2025	2,999.73	2,999.73	1002558364
Vendor:	484	TYLER TECHNOLOGIES INC			
	4632	Tyler University 10/2024 - 09/2025	400.00	400.00	025-474991
Vendor:	489	VERIZON WIRELESS			
	4633	September Cellular	691.83	691.83	9974750894

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor:	505	WOODSIDE FIRE PROTECTION DISTR			
	4634	CERRP Coordinator Oct, Nov, Dec 2024 09/01/24-9/30/24 Fire Mitigation Crew Support	28,550.15	13,845.98 14,704.17	2024 Q4_PV WFPDCREW2024-09
Vendor:	518	GOT GOPHERS?			
	4635	Town Fields Gopher Trapping- September 2024	1,050.00	1,050.00	70968
Vendor:	553	COUNTY OF SAN MATEO-PSC			
	4636	Public Safety Dispatch Svcs, July-Sept 2024 FY 24-25 Emergency Mgmt Dept JPA	35,810.75	18,787.75 17,023.00	PVPD 25-01 FY24-25 JPA014
Vendor:	642	CYBERTARY.COM			
	4637	September Transcription Services	749.07	749.07	4870
Vendor:	744	PATTY DEWES			
	4638	Town Picnic 60th Anni Reimbursement	1,747.11	1,747.11	FRRC-24-7
Vendor:	860	STEPFORD			
	4639	Monthly Service Charges 10/01/2024 THRU 10/31/2024 Veeam Backup and Replication for Disaster Recovery - Oct 24 Adobe Express & Adobe Firefly Subscription Onsite Support Oct	6,286.02	3,920.00 593.50 1,697.52 75.00	2401546 2401547 2401559 2406427
Vendor:	864	DAILY POST			
	4640	Advertisement- Sept	281.25	281.25	89919
Vendor:	1067	KRISCH & COMPANY			
	4641	Professional Services - September 2024	4,837.50	4,837.50	54649
Vendor:	1191	JAMES RAKELA DBA QUAIL VALLEY			
	4642	Pickleball Net	5,578.38	5,578.38	228
Vendor:	1194	CHRISTINA ONASICK			
	4643	Deposit Refund - Picnic Table	100.00	100.00	PROF-24-32
Vendor:	1195	LEAF CAPITAL FUNDING, LLC			
	4644	Toshiba Printer Copy Lease	620.75	620.75	17187083
Vendor:	1196	AMBER LA			
	4645	Deposit Refund - Picnic Table	100.00	100.00	PROF-24-48
Vendor:	1197	CHRISTINE D. BOLAND			
	4646	City Clerk Sept 2024	19,687.50	19,687.50	982024

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Check Date Totals			243,248.41		
Grand Total			243,248.41		





# TOWN OF PORTOLA VALLEY STAFF REPORT

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**TO:** Mayor and Members of the Town Council

**FROM:** Tony McFarlane, Finance Director

**DATE:** October 23, 2024

**RE:** **Resolution authorizing Charles Schwab to add the Interim Town Manager and Finance Director, and remove former Town Manager, as authorized agents of the Charles Schwab investment account**

## **RECOMMENDATION**

Staff recommends adopting a Resolution authorizing Charles Schwab to add the Interim Town Manager and Finance Director, and remove the former Town Manager, as authorized agents for the Town's investment account.

## **BACKGROUND**

On June 26, 2024, the Town Council reappointed the former Town Manager as the Town Treasurer, pursuant to Town of Portola Valley Municipal Code Title 2, Chapter 2.08.020 and delegated day-to-day operations to the Finance Director. Unfortunately, the process to add the Finance Director to the Charles Schwab account was not completed prior to the separation of the former Town Manager. Since the former Town Manager was the only authorized agent with access and authority to transfer funds, Charles Schwab is requiring a Resolution from the Town Council authorizing the removal of the former Town Manager and the addition of the Interim Town Manager and Finance Director as authorized agents for the Town's investment accounts.

## **FISCAL IMPACT**

None

## **ATTACHMENT**

1. Resolution

**RESOLUTION NO. \_\_\_\_-2024**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY AUTHORIZING CHARLES SCHWAB TO ADD THE INTERIM TOWN MANAGER AND FINANCE DIRECTOR, AND REMOVE FORMER TOWN MANAGER, AS AUTHORIZED AGENTS OF THE CHARLES SCHWAB INVESTMENT ACCOUNT**

**WHEREAS**, the Municipal Code, Section 2.08.020 authorizes the Town Manager to serve as Town Treasurer and maintain the accounts of the town in accordance with the approved final budget and accepted municipal accounting procedures; and

**WHEREAS**, at its June 26, 2024 meeting, the Portola Valley Town Council reauthorized the Town Treasurer as the authority for management of the Town's investment programs; and

**WHEREAS**, the Town Council delegated day-to-day operations for the Town's investments to its Finance Director; and

**WHEREAS**, the former Town Manager's employment with the Town had ended prior to the addition of the Finance Director to the Town's investment account with Charles Schwab; and

**WHEREAS**, Charles Schwab is requiring a Resolution from the Town authorizing the addition of the Interim Town Manager and Finance Director to the account and removal of the former Town Manager as authorized agents for the Town's investment account.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Portola Valley that:

1. The Town of Portola Valley authorizes Charles Schwab to add the following individual(s) to its investment account ending in 1496:
  - Corie Stocker-Pedalino – Interim Town Manager, and
  - Anthony McFarlane – Finance Director
  
2. The Town of Portola Valley authorizes Charles Schwab to remove the following individual(s) from its investment account ending in 1496:
  - Sharif Etman – Town Manager

**PASSED AND ADOPTED this 23rd day of October 2024 by the following vote:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

By: \_\_\_\_\_  
Sarah Wernikoff, Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk



# TOWN OF PORTOLA VALLEY

## STAFF REPORT

---

**TO:** Mayor and Members of the Town Council

**FROM:** Tony McFarlane, Finance Director

**DATE:** October 23, 2024

**RE:** **General Fund Reserve and impacts on current and future year budgets.**

### **RECOMMENDATION**

Staff recommends that the Town Council discuss the General Fund reserve, impacts on current and future budgets, and provide direction on opportunities to address the Town's fiscal crisis, including declaring a fiscal emergency.

### **BACKGROUND**

On June 12, 2024, the Town Council adopted the proposed FY 2024-25 Operating and Capital Budget with the intent of staff returning in September 2024 with any recommended changes or analysis which was delayed with the separation of the Town Manager in September. The Finance Director and the finance staff were working on catching up with accounting entries from prior years to complete the backlog of audits. Although some of the revenues and expenses are incomplete and unaudited, there is enough data to project that the beginning General Fund reserve balance for Fiscal Year 2024-25 is estimated to be approximately \$1.6 million instead of the reported \$5.4 million. This amount is well below the 60 percent reserve policy threshold adopted in July 2011 and requires immediate corrective action to address this structural gap.

### **DISCUSSION**

The lack of audited financial statements and accurate financial reporting masked the increase in costs and reduction in the reserve. The general fund reserve was not updated with actual revenues and expenses from prior fiscal years when budgets were adopted leading to the Town's budget being structurally imbalanced.

Deficit spending related to one-time costs for consultant and legal services for the housing/safety element update, use of American Rescue Plan Act (ARPA) funding for recurring expenses, plus the significant increase in the San Mateo County Sheriff's contract

over the past three fiscal years have outpaced the growth of revenue. Strategies and scenarios need to be developed to address the following areas,

1. Expense Control/Cost Shifts
2. Service Delivery Changes/Reductions
3. Budget Assumption Changes
4. Revenue Enhancement

Without corrective action, the General Fund reserve will be depleted before the end of Fiscal Year 2025-26. Short and long-term opportunities need to be identified and enacted to improve the Town's finances. The Finance Committee developed working groups to research and present findings on the following topics to develop such strategies.

1. Fund Balance Reserve Policy
2. Charter Town
3. Expense Reduction
4. Utility Users Tax (UUT) Sensitivity
5. Parcel Tax
6. Selling Surplus Land
7. Annexation

Working with the Finance Director, the Committee met five times between June and October to present their research and provide an opportunity for public comment. The meetings were well attended with robust and frank conversation. A summary of their conclusions is attached.

Short-term options can be implemented in 3 – 12 months. These are stop-gap measures until long-term opportunities can be implemented.

Long-term opportunities can be implemented within 1 – 5 years and allows the Town to identify more sustainable sources of revenues and cost controls to stabilize the budget and address both short and long-term priorities.

Some of these opportunities will have severe negative impacts on service delivery for building and planning, public works, and employee recruitment and retention.

The Council will need to consider implementing a variety of these strategies within the next 6 months to address the deficit and restore fiscal sustainability for General Fund operations.

The following tables illustrate some short and long-term strategies, timing and pros and cons to assist the Council with their discussion.

Short Term				
Category	Strategy	Timing	Pros	Cons
Expense Control/Cost Changes	Reclass Housing Element related expenses to Affordable Housing	24-Nov	Will increase reserve depending upon amount that can be reallocated	Not sure if legally appropriate
Expense Control/Cost Changes	Change policy to allow trail maintenance to be charged to the Open Space Fund	24-Nov	Alleviates increased maintenance costs from the General Fund	Likely an immaterial contribution to the General Fund's bottom line
Service Delivery Changes/Reductions	Balanced Budget	24-Nov	Maintains current reserve levels	Without revenue will lead to drastic reductions in service levels
Revenue Enhancement	Redirect 2% UUT from Open Space Fund	25-Mar	Revenue inflow would be immediate with 50% +1 approval	Special election costs
Revenue Enhancement	Parcel Tax	25-Mar	\$800 parcel tax would generate approximately \$1M and remove \$1M in expenses from the General Fund	Special elections costs and 2/3 majority approval

Council approval is required on all short-term strategies. There are polices in place for use of Affordable Housing and Open Space funds. For any strategy that will require a ballot measure in March 2025, a declaration of fiscal emergency must be enacted prior to Dec 6, 2024.

Long Term				
Category	Strategy	Timing	Pros	Cons
Expense Control/Cost Changes	Renegotiate contract with SMC Sheriff	25-Jul	Addresses largest operating budget directly	May incur additional consulting and legal costs
Revenue Enhancement	Vote for Charter Town Status and	26-Nov	Could generate \$1M - \$2M based on volume of recent historical annual home sales	May incur additional consulting and legal costs
Revenue Enhancement	Renegotiate an increased property tax receipt percentage with SMC	TBD	Could generate \$230K with more of resident's Property Tax dollars directed to the Town	May incur additional consulting and legal costs
Revenue Enhancement	Consider a Transient Occupancy Tax	TBD	Uncertain valuation but tax burden is placed on visitors to Town	May incur additional consulting and legal costs
Revenue Enhancement	Consider updating UUT Telephone language	TBD	UUT Telephone language needs to be updted to reflect the current telecommunications industry	May incur additional consulting and legal costs
Revenue Enhancement	Private fundraising to fund Public Safety	TBD	May spark community interest, potential tax deduction	Uncertain forecast and uneven distribution among residents

## ATTACHMENT

1. FY 2024-25 Proposed Operating and Capital Budget
2. Finance Committee summary

**Town of Portola Valley  
 General Fund Activity Summary  
 FY 2024-25 Proposed Budget**

		Revenues	Expenses
110	Town Council	-	3,000
115	Town Committees	-	115,050
120	Town Manager	-	1,434,644
125	Town Attorney	-	245,000
130	Town Clerk	-	196,538
140	Finance	-	920,433
210	Police Services	-	1,776,348
220	Fire Services	-	315,700
230	Dispatch Services	-	75,151
310	Plannig Division	117,900	940,157
320	Building Division	890,200	553,882
330	Code Compliance	-	42,127
410	Community Hall	91,130	102,430
420	PW - Parks & Fields	60,000	149,012
510	PW - Streets, Facilities, Engineering	41,000	942,290
610	Non-departmental	5,883,828	871,619
<b>Transfers</b>			
	Operating	-	133,691
	Capital	-	1,177,783
<b>Total</b>		<b>7,084,058</b>	<b>9,994,855</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 110 - Town Council

**101 - General Fund**

	<u>Proposed</u> 24-25	<u>Revised</u> 24-25	Difference
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
65013 Development	\$ 1,500	\$ -	\$ (1,500)
65014 Dues	1,500	-	(1,500)
<b>Subtotal</b>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>



Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 110 - Town Committees

**101 - General Fund**

	<u>Proposed</u> <u>24-25</u>	<u>Revised</u> <u>24-25</u>	<u>Difference</u>
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
62323 Volunteer Appreciation	\$ 18,000	\$ -	\$ (18,000)
62324 Science & Nature	-	-	-
63202 BicyclePedTraffic	-	-	-
63203 Conservation	3,550	-	(3,550)
63204 Cultural Arts	15,000	-	(15,000)
63205 Emergency Preparedness	12,000	-	(12,000)
63206 Historic Resources	3,500	-	(3,500)
63208 Parks & Recreation	30,000	-	(30,000)
63209 Sustainability	9,100	-	(9,100)
63211 Trails & Paths	12,500	-	(12,500)
63212 Wildfire Preparedness	5,000	-	(5,000)
63213 Open Space Acquisition	2,500	-	(2,500)
63214 Geologic Safety	3,900	-	(3,900)
<b>Subtotal</b>	<u>\$ 115,050</u>	<u>\$ -</u>	<u>\$ (115,050)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 120 - Town Manager

**101 - General Fund**

	<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
	24-25	24-25	
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
51011 Salaries	\$ 1,030,581	\$ -	\$ (1,030,581)
51021 Vacation Buyout	8,000	-	(8,000)
51031 Vehicle Allowance	6,000	-	(6,000)
55011 PERS	97,607	-	(97,607)
55012 FICA	48,106	-	(48,106)
55013 Medicare	14,849	-	(14,849)
55021 Health Insurance Medical	30,916	-	(30,916)
55024 Health Dental/Vision	11,736	-	(11,736)
55025 Cafeteria Plan	85,799	-	(85,799)
55031 Long Term Disability	3,645	-	(3,645)
55033 Workers Compensation	7,815	-	(7,815)
62099 Miscellaneous Consultants	45,000	-	(45,000)
62329 Sustainability	23,350	-	(23,350)
65012 Development	15,240	-	(15,240)
65014 Dues	6,000	-	(6,000)
<b>Subtotal</b>	<u>\$ 1,434,644</u>	<u>\$ -</u>	<u>\$ (1,434,644)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 120 - Town Attorney

**101 - General Fund**

	<u>Proposed</u> 24-25	<u>Revised</u> 24-25	Difference
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
62032 Town Attorney	\$ -	\$ 245,000	\$ 245,000
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ 245,000</u>	<u>\$ 245,000</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 130 - Town Clerk

**101 - General Fund**

	<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
	24-25	24-25	
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
51011 Salaries	\$ 116,621	\$ -	\$ (116,621)
51021 Vacation Buyout	-	-	-
51031 Vehicle Allowance	-	-	-
55011 PERS	9,179	-	(9,179)
55012 FICA	7,231	-	(7,231)
55013 Medicare	1,692	-	(1,692)
55021 Health Insurance Medical	1,884	-	(1,884)
55024 Health Dental/Vision	1,108	-	(1,108)
55025 Cafeteria Plan	-	-	-
55031 Long Term Disability	504	-	(504)
55033 Workers Compensation	619	-	(619)
62034 Transcription Services	-	-	-
62099 Miscellaneous Consultants	10,000	-	(10,000)
62251 Elections	20,000	-	(20,000)
62302 Scanning - Admin	1,500	-	(1,500)
62305 Software & Licensing	19,850	-	(19,850)
62328 Codification	1,150	-	(1,150)
65012 Development	3,000	-	(3,000)
65014 Dues	2,200	-	(2,200)
<b>Subtotal</b>	<u>\$ 196,538</u>	<u>\$ -</u>	<u>\$ (196,538)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 140 - Town Finance

**101 - General Fund**

	<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
	24-25	24-25	
Revenues			
	\$ -	\$ -	\$ -
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses			
51011 Salaries	\$ 503,338	\$ -	\$ (503,338)
51021 Vacation Buyout	2,500	-	(2,500)
51031 Vehicle Allowance	3,000	-	(3,000)
55011 PERS	39,613	-	(39,613)
55012 FICA	27,909	-	(27,909)
55013 Medicare	7,299	-	(7,299)
55021 Health Insurance Medical	22,858	-	(22,858)
55024 Health Dental/Vision	8,559	-	(8,559)
55025 Cafeteria Plan	65,881	-	(65,881)
55031 Long Term Disability	1,665	-	(1,665)
55033 Workers Compensation	2,501	-	(2,501)
55041 Tuition Reimbursement	2,000	-	(2,000)
62031 Auditing Services	149,900	-	(149,900)
62099 Miscellaneous Consultants	30,000	-	(30,000)
62305 Software & Licensing	44,850	-	(44,850)
62399 Miscellaneous	-	-	-
65012 Development	7,500	-	(7,500)
65014 Dues	1,060	-	(1,060)
65015 Mileage Reimbursement	-	-	-
Subtotal	<u>\$ 920,433</u>	<u>\$ -</u>	<u>\$ (920,433)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 210 - Police Services

**101 - General Fund**

	<u>Proposed</u> <u>24-25</u>	<u>Revised</u> <u>24-25</u>	<u>Difference</u>
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
62204 San Mateo County Sheriff	\$ 1,776,348	\$ 1,681,348	\$ (95,000)
<b>Subtotal</b>	<u>\$ 1,776,348</u>	<u>\$ 1,681,348</u>	<u>\$ (95,000)</u>

**202 - Public Safety Sales Tax**

	<u>Proposed</u> <u>24-25</u>	<u>Revised</u> <u>24-25</u>	<u>Difference</u>
<b>Revenues</b>			
42812 Prop 172 Public Safety	\$ 16,500	\$ 16,500	\$ -
<b>Subtotal</b>	<u>\$ 16,500</u>	<u>\$ 16,500</u>	<u>\$ -</u>
<b>Expenses</b>			
62204 San Mateo County Sheriff	\$ 16,500	\$ 16,500	\$ -
<b>Subtotal</b>	<u>\$ 16,500</u>	<u>\$ 16,500</u>	<u>\$ -</u>

**203 - Public Safety COPS Grant**

	<u>Proposed</u> <u>24-25</u>	<u>Revised</u> <u>24-25</u>	<u>Difference</u>
<b>Revenues</b>			
42814 Public Safety COPS Grant	\$ 155,000	\$ 155,000	\$ -
<b>Subtotal</b>	<u>\$ 155,000</u>	<u>\$ 155,000</u>	<u>\$ -</u>
<b>Expenses</b>			
62204 San Mateo County Sheriff	\$ 155,000	\$ 250,000	\$ 95,000
<b>Subtotal</b>	<u>\$ 155,000</u>	<u>\$ 250,000</u>	<u>\$ 95,000</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 220 - Fire Services

**101 - General Fund**

	<u>Proposed</u> 24-25	<u>Revised</u> 24-25	<u>Difference</u>
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
62047 WFPD - Fire Mitigation	\$ 185,000	\$ 185,000	\$ -
62208 Fire Prevention	120,700	120,700	-
62305 Software & Licensing	10,000	-	(10,000)
<b>Subtotal</b>	<u>\$ 315,700</u>	<u>\$ 305,700</u>	<u>\$ (10,000)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 230 - Dispatch Services

**101 - General Fund**

	<u>Proposed</u> 24-25	<u>Revised</u> 24-25	Difference
Revenues			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses			
62203 Dispatch Services	\$ 75,151	\$ 75,151	\$ -
<b>Subtotal</b>	<u>\$ 75,151</u>	<u>\$ 75,151</u>	<u>\$ -</u>



Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 310 - Planning Division

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
41912	Site Developmnet Permits	\$ 35,000	\$ 35,000	\$ -
41913	Conditional Use Permits	-	-	-
41915	Horsekeeping Permits	2,500	2,500	-
41917	Zoning & Planning Permits	400	400	-
41919	Variances	-	-	-
43017	Subdivision Fees	6,000	6,000	-
43018	Residential Data Reports	5,000	5,000	-
43019	Pre-Application Meeting	18,000	18,000	-
43021	Architectural Review	18,000	18,000	-
43024	Geology Fees	13,000	13,000	-
43033	Town Planning Fees	20,000	20,000	-
<b>Subtotal</b>		<b>\$ 117,900</b>	<b>\$ 117,900</b>	<b>\$ -</b>
<b>Expenses</b>				
51011	Salaries	\$ 556,175	\$ -	\$ (556,175)
55011	PERS	41,550	-	(41,550)
55012	FICA	32,031	-	(32,031)
55013	Medicare	8,119	-	(8,119)
55021	Health Insurance Medical	20,728	-	(20,728)
55022	Health Opt-out	9,600	-	(9,600)
55024	Health Dental/Vision	6,107	-	(6,107)
55025	Cafeteria Plan	22,982	-	(22,982)
55031	Long Term Disability	1,704	-	(1,704)
55033	Workers Compensation	2,361	-	(2,361)
55041	Tuition Reimbursement	500	-	(500)
62034	Transcription Services	8,000	-	(8,000)
62035	Town Geologist	2,500	-	(2,500)
62039	Planner	68,000	-	(68,000)
62099	Miscellaneous Consultants	133,000	-	(133,000)
62303	Scanning	7,500	-	(7,500)
62305	Software & Licensing	13,900	-	(13,900)
65012	Development	3,400	-	(3,400)
65014	Dues	2,000	-	(2,000)
		-	-	-
<b>Subtotal</b>		<b>\$ 940,157</b>	<b>\$ -</b>	<b>\$ (940,157)</b>

**Town of Portola Valley**  
**FY 2024-25 Operating and Capital Budget**  
**320 - Building Division**

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
41911	Building Permits	\$ 195,000	\$ -	\$ (195,000)
41914	Temp Occupancy	-	-	-
41916	Construction & Demolition	33,000	-	(33,000)
43011	Plan Check	260,000	-	(260,000)
43012	Inspection Fee	390,000	-	(390,000)
43043	BSA Fee	2,400	-	(2,400)
43044	SMIP Fee	7,500	-	(7,500)
43045	DSA Fee	1,300	-	(1,300)
43049	Miscellaneous Fees	1,000	-	(1,000)
43211	Town Inspection Fee	-	-	-
<b>Subtotal</b>		<b>\$ 890,200</b>	<b>\$ -</b>	<b>\$ (890,200)</b>
<b>Expenses</b>				
51011	Salaries	\$ 158,647	\$ -	\$ (158,647)
51021	Vacation Buyout	-	-	-
51031	Vehicle Allowance	5,000	-	(5,000)
55011	PERS	18,326	-	(18,326)
55012	FICA	9,077	-	(9,077)
55013	Medicare	2,355	-	(2,355)
55021	Health Insurance Medical	14,707	-	(14,707)
55024	Health Dental/Vision	1,440	-	(1,440)
55025	Cafeteria Plan	7,661	-	(7,661)
55033	Workers Compensation	820	-	(820)
61031	BSA/SMIP/DSA Fees	7,874	-	(7,874)
62042	Plan Check Services	120,000	-	(120,000)
62099	Miscellaneous Consultants	200,000	-	(200,000)
62305	Software & Licensing	4,975	-	(4,975)
65012	Development	1,000	-	(1,000)
65014	Dues	2,000	-	(2,000)
<b>Subtotal</b>		<b>\$ 553,882</b>	<b>\$ -</b>	<b>\$ (553,882)</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 330 - Code Compliance

**101 - General Fund**

	<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
	24-25	24-25	
<b>Revenues</b>			
	\$ -	\$ -	\$ -
<b>Subtotal</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
51011 Salaries	\$ 9,800	\$ -	\$ (9,800)
55011 PERS	772	-	(772)
55012 FICA	443	-	(443)
55013 Medicare	143	-	(143)
55021 Health Insurance Medical	861	-	(861)
55024 Health Dental/Vision	56	-	(56)
55033 Workers Compensation	52	-	(52)
62099 Miscellaneous Consultants	30,000	-	(30,000)
<b>Subtotal</b>	<u>\$ 42,127</u>	<u>\$ -</u>	<u>\$ (42,127)</u>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 340 - Customer Deposits

**101 - General Fund**

	<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
	24-25	24-25	
<b>Revenues</b>			
43041 Applicant Charges	\$ 475,000	\$ -	\$ (475,000)
<b>Subtotal</b>	<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ (475,000)</b>
<b>Expenses</b>			
62033 Attorney Charges	\$ 50,000	\$ -	\$ (50,000)
62036 Geologist Charges	125,000	-	(125,000)
62038 Engineer Charges	120,000	-	(120,000)
62041 Planner Charges	150,000	-	(150,000)
62325 C&D Deposit	30,000	-	(30,000)
63012 Deposit Refunds	-	-	-
<b>Subtotal</b>	<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ (475,000)</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 410 - Community Hall

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
43121	Class Fees	\$ 75,000	\$ 75,000	\$ -
43131	Merchant Fees	-	-	-
44051	Comm Hall / Act Room	1,030	1,030	-
44052	Comm Hall / Private	14,500	14,500	-
46000	Miscellaneous	600	600	-
<b>Subtotal</b>		<b>\$ 91,130</b>	<b>\$ 91,130</b>	<b>\$ -</b>
<b>Expenses</b>				
61051	Maintenance	\$ 35,000	\$ 35,000	\$ -
62305	Software & Licensing	4,650	4,650	-
62399	Miscellaneous	1,750	1,750	-
63013	Instructor / Class Refunds	60,000	60,000	-
63104	Event Insurance	1,030	1,030	-
<b>Subtotal</b>		<b>\$ 102,430</b>	<b>\$ 102,430</b>	<b>\$ -</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 420 - Public Works - Parks & Fields Maintenance

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
44054	Parking Lot & Field Rentals	\$ 60,000	\$ 60,000	\$ -
44056	Zots to Tots	-	4,000	4,000
<b>Subtotal</b>		<b>\$ 60,000</b>	<b>\$ 64,000</b>	<b>\$ 4,000</b>
<b>Expenses</b>				
61055	Parks & Fields Maintenance	\$ 142,012	\$ 142,012	\$ -
61056	Portable Lavatories	7,000	7,000	-
<b>Subtotal</b>		<b>\$ 149,012</b>	<b>\$ 149,012</b>	<b>\$ -</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 510 - Public Works - Roads, Facilities Operations & Development Services

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
41951	Encroachment Permits	\$ 22,000	\$ 25,000	\$ 3,000
43252	Town Library Maintenance	10,000	10,000	-
43253	Town Engineer Fee	3,000	3,000	-
43254	Applicant Development Fee	5,000	5,000	-
46079	Miscellaneous Receipts	1,000	1,000	-
<b>Subtotal</b>		<b>\$ 41,000</b>	<b>\$ 44,000</b>	<b>\$ 3,000</b>
<b>Expenses</b>				
51011	Salaries	\$ 493,848	\$ -	\$ (493,848)
51031	Vehicle Allowance	3,000	-	(3,000)
55011	PERS	61,310	-	(61,310)
55012	FICA	27,957	-	(27,957)
55013	Medicare	7,368	-	(7,368)
55021	Health Insurance Medical	39,007	-	(39,007)
55022	Health Opt-out	16,800	-	(16,800)
55024	Health Dental/Vision	9,521	-	(9,521)
55031	Long Term Disability	1,920	-	(1,920)
55033	Workers Compensation	5,219	-	(5,219)
61018	Repairs / Vandalism	5,000	-	(5,000)
61021	NPDES Stormwater Program	7,500	-	(7,500)
61052	Mechanical Systems	15,000	-	(15,000)
61054	Janitorial Services	40,100	-	(40,100)
61081	Vehicle Maintenance	32,300	-	(32,300)
62011	Building Maint, Equip & Supplies	10,000	-	(10,000)
62012	Landscape Supplies & Svcs	40,000	-	(40,000)
62014	Tools & Equipment	7,100	-	(7,100)
62037	Engineer Services	45,000	-	(45,000)
62044	GIS Mapping	1,000	-	(1,000)
62099	Miscellaneous Consultants	31,040	-	(31,040)
62305	Software & Licensing	36,400	-	(36,400)
65012	Development	5,400	-	(5,400)
65014	Dues	500	-	(500)
<b>Subtotal</b>		<b>\$ 942,290</b>	<b>\$ -</b>	<b>\$ (942,290)</b>

Town of Portola Valley  
 FY 2024-25 Operating and Capital Budget  
 610 - Non-departmental

**101 - General Fund**

		<u>Proposed</u>	<u>Revised</u>	<u>Difference</u>
		24-25	24-25	
<b>Revenues</b>				
41111	Property Tax - Secured	\$ 2,879,409	\$ 2,908,077	\$ 28,668
41112	Property Tax - Unsecured	115,919	117,073	1,154
41121	ERAF Revenue	150,000	250,000	100,000
41122	VLF Revenue	450,000	450,000	-
41141	Real Property Transfer Tax	100,000	150,000	50,000
41311	Sales & Use Tax	350,000	350,000	-
41411	Business License Tax	125,000	125,000	-
41601	Franchise - Energy	108,000	108,000	-
41602	Franchise - Water	61,000	61,000	-
41603	Franchise - Garbage	138,000	138,000	-
41604	Franchise - Cable	98,000	98,000	-
41811	Fines & Forfeitures	2,000	2,000	-
42811	Motor Vehicle	5,500	5,500	-
42821	HOPTR	5,000	5,000	-
43111	UUT - Energy	640,000	640,000	-
43112	UUT - Telephone	30,000	30,000	-
43113	UUT - Water	275,000	275,000	-
44011	Interest	289,000	289,000	-
44055	Lease Income Parks	60,000	60,000	-
46039	Miscellaneous Contribution	-	-	-
46079	Miscellaneous Receipts	2,000	2,000	-
49011	Operating Transfers in	-	-	-
<b>Subtotal</b>		<b>\$ 5,883,828</b>	<b>\$ 6,063,650</b>	<b>\$ 179,822</b>



**Expenses**

55052	Wellness Program	\$ 10,000	\$ 10,000	\$ -
62021	Telephones	25,400	25,400	-
62022	Utilities	85,000	85,000	-
62032	Town Attorney	-	-	-
62046	IT & Website Consultants	83,000	83,000	-
62099	Miscellaneous Consultants	138,000	138,000	-
62201	HEART JPA	-	-	-
62202	Animal Control	21,000	21,000	-
62206	Emergency Services Contract	18,300	18,300	-
62301	Office Supplies	18,800	18,800	-
62304	Town Publications	7,000	7,000	-
62305	Software & Licensing	106,245	106,245	-
62306	Office Equipment	16,000	16,000	-
62307	Equipment Services Contract	21,800	21,800	-
62308	Postage	10,000	10,000	-
62309	Advertising	8,500	8,500	-
62326	Contingency	15,000	-	(15,000)
62327	Community Services	20,000	20,000	-
62331	Bank Fees	10,000	10,000	-
62399	Miscellaneous	7,500	7,500	-
63101	Property Insurance	61,150	61,150	-
63102	Liability Insurance / Bonds	160,324	160,324	-
65012	Development	5,000	-	(5,000)
65014	Dues	23,600	23,600	-
65015	Mileage Reimbursement	-	-	-
73011	Fixed Assets - Software / Eq	-	-	-
75111	Transfer Out - Operating	133,691	133,691	-
75121	Transfer Out - Capital	392,783	-	(392,783)
				-
<b>Subtotal</b>		<b>\$ 1,398,093</b>	<b>\$ 985,310</b>	<b>\$ (412,783)</b>

## **Report to the Portola Valley Town Council**

From the Portola Valley Finance and Audit Committee

Summary of discussions concerning the financial emergency facing the town

15 October 2024

**The Finance and Audit Committee requests a joint meeting with the Town Council to explore options for addressing Portola Valley's deteriorating financial condition. We have summarized herein a set of options to address the financial needs of the Town for the consideration of the Town Council.**

### **How we got here: the power of compounding**

Over the five year period ending July 2025, Portola Valley town revenue is projected to have increased by 37%, but over the same period spending will have grown by 52%. The compound annual growth rate of spending will have exceeded that of revenue by only 2.4%. Seemingly small changes can metastasize into major problems if left unchecked.

One-time expenditures for housing element preparation have depleted our reserves just at the moment a new sheriff's contract is dramatically increasing the town's public safety budget in the years ahead.

The lack of audited financials over a three year period and the resulting unknown accounting errors masked the deteriorating condition of our general fund reserve, which now stands at an estimated 18% of this year's budget, well below the 60% Reserve Policy threshold.

The budget remains in deficit, and even a narrowly balanced budget would still see net transfers out of the general fund reserves to meet matching obligations for specialized programs, such as those with earmarked revenues for road maintenance.

### **Short vs Long Term**

Short Term Opportunities can improve the Town's fiscal position in 3-12 months. These allow the Town to continue to operate with a minimum Reserve balance until a longer term opportunity can take full effect.

Long Term Opportunities can improve the Town's fiscal position in 1-5 years. These opportunities represent ways in which the Town can realize more significant and sustainable sources of revenue for future budget needs.

## Short Term Opportunities

### ST-1. Balance the budget

- Request that staff prepare a fully balanced budget for this fiscal year and next year
- These budgets should assume no new revenues.
- Specify the activities that will be eliminated, reduced, or deferred

#### Pros:

- A balanced budget allows the Town to maintain the current level of Reserves in case of unforeseen expenses
- Once the budget is balanced incremental increases can be made if Revenues increase

#### Cons:

- Important and/or popular services may need to be cut
- Staffers may feel burdened by an unrealistic expectation to do more with less, and morale may be negatively impacted due to the possibility of layoffs
- Unfunded state mandates must still be met
- Public safety expense growth of ~10% annually is built into the Sheriff's contract, complicating long-term stability without additional revenue

### ST-2. Charge Housing Element-related expenses to the affordable housing fund

- The town finance director estimates that ~\$1.2M has been spent from the general fund on consultants preparing the housing element required by the state department of Housing and Community Development. An unknown additional amount has been spent on legal services. The entire purpose of the housing element process is to improve overall housing affordability by developing additional market rate and below market rate housing. Portola Valley has established an affordable housing fund with a balance of approximately \$4.5 million

#### Pros:

- Charging the affordable housing fund for the amounts Portola Valley has spent planning for affordable housing in the town reflects economic reality and would nearly double the general fund reserve, greatly extending the town's financial runway

#### Cons:

- Must ensure that this use is legally appropriate; may require a revision to policy regarding approved uses of the budget

### ST-3. Charge open space maintenance work to Open Space Fund

- The Open Space Fund balance is approximately \$8.3M
- Charge open space related maintenance costs to the Open Space Fund rather than the General Fund
- The Open Space Fund specifically allows for maintenance of open space to be funded with Fund proceeds

#### Pros:

- Avoids increasing maintenance obligations on General Fund as more open space is acquired

- Locates maintenance expense with acquisition funds, so true cost of ownership is considered
- Puts the funds to work to the benefit of the Town

**Cons:**

- Public dissatisfaction that funds thought to be solely for open space acquisition are being used on routine expenditures
- Likely not a material contributor to town's financial condition; estimate \$50,000 - \$100,000 annually

**ST-4. Utility User Tax reallocation from Open Space Fund to General Fund**

- A five-year reallocation of the 2% UUT dedicated to the Open Space Fund to the General Fund would raise an estimated \$350K annually with upside related to existing taxes for water and new taxes for Internet

**Pros:**

- The UUT change would need to be approved by the voters; a special election can be called for this purpose
- An electoral majority is required for approval
- Revenue inflow would be immediate
- The UUT could be broadened to include Internet service, which could raise more revenue
- Open Space Fund growth would continue since current interest income (estimated at \$400,000) on the fund balance approximates the amount raised annually by the UUT

**Cons:**

- A costly special election with an uncertain outcome due to varying public opinion regarding changing the open space funding formula
- Broadening the tax to include Internet service would constitute a tax increase
- Public dissatisfaction over being asked to consider a revenue proposal at a time when town financial reporting and audits remain in arrears

**ST-5. Parcel tax**

- A five-year parcel tax of an estimated \$800 per parcel to create an estimated \$1.35M in incremental revenue with 100% of the proceeds dedicated to public safety
- Potentially couple with restoration of the authority of the Town Council to reduce UUT below the maximum in the future, financial conditions permitting

**Pros:**

- Stable revenue source sufficient to meet town needs without reducing staff or services

**Cons:**

- A costly special election
- A two-thirds supermajority requirement for a "special tax"— passage uncertain, particularly given public concerns over recent lax financial oversight and lack of audited financials
- Tax-inefficient given capped state/local tax deductions

## Long Term Opportunities

### LT-1. Become a charter town and enact a real estate transfer tax (RETT)

- Under California law a charter town may enact its own RETT
- This tax would be in addition to the RETT currently collected by San Mateo County upon the sale of real property.
- A tax of \$6 per \$1,000 would raise approximately \$25,000 for each median priced house sold in Portola Valley
- Consider pairing with restoration of town council authority to reduce the UUT, thereby permitting compensatory tax cuts during boom real estate sales years

#### Pros:

- Estimated to generate approximately \$1M - \$2M in revenue per year at \$6 per \$1,000, assuming recent historical annual home sales volumes.
- Requires a simple majority at a regularly scheduled election
- Tax efficient: reduces gain realized on property, so fully deductible
- Low burden: only paid once, by departing residents experiencing a liquidity event
- RETT can be a negotiated item in sales contracts, paid by either the buyer or seller, or split between the two parties

#### Cons:

- Must wait for statewide general election (e.g., November 2026) to put before voters; new resulting revenue starts in March, 2027 at the earliest
- Charters are expensive to draft, particularly if residents see it as an opportunity to “pile on” with additional measures, though this can be minimized (~\$120K) if the charter is limited in scope, as in “state law applies apart from authority to enact a RETT.”
- Revenues vary based on volume and timing of home sales
- Tax increase - though paired ability of council to reduce UUT can reassure concerned voters

### LT-2. Negotiate property tax receipt percentage with San Mateo County

- Under the Tax Equity Act (TEA) San Mateo County is required to pay Portola Valley 7% of its property tax payments to the county.
- The county may be underpaying the town by as much as 0.3% (~\$210K)
- The town pays the sheriff’s office, another county entity, for police services
- The sheriff recently changed the way overhead is allocated to the town, dramatically increasing expenses. This may present an opportunity to negotiate a higher property tax allocation with the County.

#### Pros:

- If successful, more of Town residents’ tax dollars are directed to the Town
- May deter additional expenses from being assessed by the County (e.g., additional public safety increases)

#### Cons:

- May incur additional consulting and legal expenses (e.g., Paula Cone, attorney, etc.) with an uncertain outcome

**LT-3. Renegotiate with SM Sheriff**

- The SM Sheriff is charging incrementally over \$1.2M per year starting this fiscal year and increasing by \$200k per year over the next 3 years
- As the single largest expense increase, the Town can pursue a renegotiation of the contract citing the financial hardship the contract represents to the Town, and annual cost increases far in excess of inflation

**Pros:**

- Addresses the largest operating budget issue directly
- May lead to an increase in property tax allocation (see prior option)

**Cons:**

- May incur additional consulting and legal expenses (e.g., Paula Cone, attorney, etc.) with an uncertain outcome

**LT-4. Private fundraising to fund Public Safety**

- Portola Valley schools raise more than \$1M annually in contributions via an annual fundraiser
- The Town Center was constructed using this approach

**Pros:**

- Fundraising for public safety may spark community interest
- Potentially tax deductible
- Voluntary “tax”

**Cons:**

- Uncertain forecast for value of opportunity
- Distributes the burden unevenly among residents

**LT-5. Transient Occupancy Tax**

- Fees charged to transient residents (<30 days) utilizing new facilities developed within the Town limits (e.g. hotel, conference/retreat center, etc.)

**Pros:**

- Substantial revenue opportunity that neighboring towns utilize to fund their budgets
- As a general tax, enactment would require a simple majority at a regular or special election.

**Cons:**

- Enactment requires approval at an election
- May not be compatible with general plan and public priorities for town
- Speculative outcome given lack of lodging businesses in town currently



# TOWN OF PORTOLA VALLEY

## Committee / Commission Liaison Report

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**TO:** Mayor and Members of the Town Council  
**FROM:** Mary Hufty  
**DATE:** 10/14/2024  
**RE:** Geological Safety Committee

Recording was started and a quorum was present at 10 AM.

Gary Ernst PHD- reiterated the commitment to the safety of human lives in-place, ingress and egress in the event of seismic disruption.

Pat McCrory PHD - brought in the USGS information sheets for tip of the month, as well as, county resources and information on earthquake resilience.

They have completed their mapping of seismic risk as it effects evacuation routes and this information is in the public domain.

A vote was taken to accept the committee's work on the Berrocal and Black Mountain Faults which have been discussed and presented at the May, July and August meetings. It was accepted, like all scientific data, as work in progress. But it is clear from bare earth lidar technology that the Berrocal and Black Mountain Faults exist and should be considered for the Town Geologic map. This will be presented for review to Russ Graymer PhD of the USGS for his input. Then to the Council for possible presentation to a consulting Town Geologist.

It was decided to pursue speakers to include  
Kim Blisniuk PhD seismographer  
Sara Mynson PhD,  
Steve Ingebritsen PhD committee member  
Tim Dawson PhD an expert in the uplifting of the Santa Cruz Mountains

For a possible speaking opportunity at Christ Church where a speaker series is being developed, if that is preferable to Town facilities.