

Finance and Audit Committee Minutes

September 26, 2023

Historic Schoolhouse

Attendees

George Savage – Chair	Sherif Etman, Town Manager
Ken Lavine, Member and Secretary	Cindy Rodas, Finance Director
Michele Takei, Member	Starla Jerome-Robinson, Finance/Transition Consultant
Jason Pressman, Member	Judith Hasko, Town Council Liaison
Lucy Neely, Member	Members of the public: Dave Cardinal, Karen Askey,
Stephen Cassani, Member	Gary XXXXX, Rita Comes, Betsy Morgenthaler,
Bill Urban, Member	Gregg P., Dana Breen

Oral Communications for Items Not on the Agenda

Public comments requested the Committee evaluate revenue received from the Alpine Inn's parking lease, noting that the amount received from the contract isn't supported by what the Town pays to use private parking adjacent to the town center. It was also requested that staff audit and review various Town contracts for compliance and need for updates. Lastly was a comment that questioned the wisdom of committee members working directly with staff to set priorities.

Welcome Sharif Etman, our new town manager

Committee Chair, George Savage extended a warm welcome to Sharif Etman. Sherif said he was pleased to be our new town manager and was optimistic for the future of the town. He reviewed his substantial background and experience in government finance.

Approval of Minutes

The minutes for the meeting of July 25 were approved.

Finance Related Priorities of Town Manager and Audit Status Update

Sharif Etman stated that he is confident that his background will lead to success in town finances. He credited Cindy Rodas, Finance Director as a department of one for doing a difficult job well. He indicated that more resources are needed and that new hires are starting soon. He has hired a financial consultancy to audit the town's financial resources and capabilities,, and make recommendations for improvements.

Sharif Etman believes that most policy decisions made by the town have a financial impact. Consequently, decision makers need to know what those impacts are in order to make optimal decisions.

A top priority is to catch-up with the annual audits. The Town needs a reset due to high employee turnover, it's not just the finance department. Sharif described his view of roles and responsibilities - his job is to focus resources to run the various departments. As Town Manager, he is fully responsible for town staff and contracts.

Michele Takai asked for an update on the two new finance department hires the committee was informed of at the last meeting. Unfortunately, one of the new hires was lost when they decided to stay at their current position. [Not sure about the second one] Consequently the audits have fallen behind

schedule. Cindy will re-evaluate the schedule with the help of the consultants mentioned above. Intend to present alternative schedules with a tradeoff of cost to execute versus time to complete.

Staff gave an historical view of finance department staffing. It's changed over time as new technology, including software causes need for new staffing. New regulations have also caused an increase in finance staff efforts. Sharif believes that in general, the town needs three levels of employees: department managers, planners and staff, and technicians. Managers and planners shouldn't do the work of technicians.

Public contributions to the discussion included requests to learn what roles existing finance department consultants would have moving forward, and whether the town would accept resident volunteers to fill in for technicians as needed. The committee learned that both Jim Saco and Starla were ramping down as consultants, and that resident volunteers are welcome, though the hope is to achieve a permanent, stable and adequate level of staffing.

[Judith Hasko left the meeting at 3:55 pm]

Town cash investment policy: Subcommittee report and discussion

Bill Urban reviewed the Portola Valley Finance Subcommittee Report on Enhanced Cash Management. The report states that the Subcommittee has failed to materially accelerate the adoption of an enhanced cash management approach; consequently no increased income has resulted. The report's findings and recommendations are well documented in the report, which is attached to the meeting's agenda.

Discussion followed. Staff reported that steps have been taken to make an initial transfer of \$1.1 million from LAIF to Schwab for investment in a higher yielding money market fund. This left approximately \$12 million invested in LAIF. Members of the Committee encouraged staff to target moving all funds from LAIF, but leave whatever minimum balance was necessary to maintain the account at LAIF.

Public comment supported moving most all funds to higher yielding accounts. They also encouraged staff to take advantage of the expertise and knowledge of all Portola Valley committee volunteers.

Adjournment

The meeting was adjourned at 4:37 pm.