

**Finance and Investment Committee Special Meeting  
Town of Los Altos Hills  
Town Hall, Monday, December 3, 2018**

The meeting was called to order at 4:00 pm by Chairman Silver.

**Members present:** Allan Epstein, Kjell Karlsson, Betty Kayton, Susan Mason, Stan Mok, Bill Silver, Roddy Sloss and Chris Welborn

**Members absent:** Chris Nam

**Associate members:** Frank Lloyd (absent); Jim Lai (absent)

**Council present:** Roger Spreen, Vice Mayor

**Staff present:** Kelly Mayes, Administrator Services Director, Tran Nguyen, Finance Manager

**Guests and public present:** None.

**Approval of minutes:**

The November 5, 2018 meeting minutes were approved as amended by members who attended that meeting.

**New Reserve Policy – Kelly Mayes**

Ms. Mayes presented the new Reserve Policy sent to members before the meeting and described the purpose, provisions, and the updating procedure of the Policy. The subject of the policy is to establish and maintain Committed and Assigned reserves included in the Capital section of the Town's General Fund Balance Sheet. The policy provides for staff to maintain the Reserves annually as part of the Town's normal budget cycle. For each reserve, a maintenance procedure is established utilizing information in existing Town records. Changes to the Reserve Policy and amounts are subject to Council approval. In response to questions, Ms. Mayes noted that the policy neither inhibits or limits Council authority. An attachment to the policy reflects existing reserves in the June 30, 2018 CAFR, fiscal year 2020 changes to the reserves recommended that if adopted by Council will set overall Reserve levels at approximately \$8.4 million leaving approximately \$3.3 million of General Fund Capital Unassigned. Attending Committee members unanimously approved the policy and thanked Ms. Mayes for her leadership in preparing the Policy.

Continued

**Finance Department Activities of Interest – Kelly Mayes**

Before leaving the meeting to attend a special session of a Council meeting, Ms. Mayes noted that she is waiting for a draft report from the Matrix Consulting who are preparing a new Cost Allocation Study. Ms. Mayes expects a draft CAFR to be available for the Committee to review in mid-December.

**Council Activities of Interest – Roger Spreen**

Mr. Spreen described currently being undertaken to review employee compensation in response to extraordinary recent employee turnover. Mr. Silver participates on the responsible Committee and noted efforts to narrow the Committee's focus to ideas designed to hire and retain senior employees who are especially well suited to the Town's requirements. Mr. Spreen commented on the proposed Town Hall expansion and responded to questions and suggestions made by the Committee. Mr. Spreen also described work being performed by an hoc committee looking into senior employee compensation changes to address recent extraordinary turnover. Initial suggestions are being narrowed down to a list items designed to address existing special requirements of senior employees who are especially well suited to the Town's requirements.

**Review of future meeting calendar:**

The next FIC meeting will be a Special meeting on Monday, January 14, 2019 at 4 pm at Town Hall. The primary non-recurring topic will be a review of the proposed June 30, 2018 CAFR. Other topics for future meetings were noted on the meeting Agenda. Messrs. Sloss and Epstein noted that a review of the need for a new sewer rate study had been undertaken with a conclusion that it now appears that new Sewer Rates will not be need until the fiscal year ending June 30, 2021. A tentative meeting calendar for the fiscal year ending June 30, 2019 was briefly discussed noting that the February 4, 2019 meeting will include the new Matrix Cost Allocation study draft report and March 11, 2019 meeting will address Pension Plan prepayments for the June 30, 2019 year.

**Presentations from the floor:**

None.

**Adjournment:**

At approximately 5:05 pm, there were no further matters to be discussed and the meeting adjourned.

Respectfully submitted: by Roddy Sloss, Committee Secretary