



Town Manager's Report for January 11 - 16, 2016

Planning/ Building/ Engineering Update:

The City **Engineer's Report** is attached. Items in **red text** mark status changes from the previous report.

There were no Site Development or Fast Track hearings this week.

Associate Planner Nicole Horvitz returned from maternity leave last week. Nicole will be working Wednesday through Friday for January and February, returning to full time in March.

A proposed 9-lot subdivision of property at **28030 Natoma Road** will be considered by the Planning Commission at its March 3, 2016 meeting. The property was previously owned by the Stirling family and was sold in September 2015 to Top Elegant Investment, LLC.

Public Safety Update:

Sheriff's Lieutenant Bob Durr is serving on a special panel today and the Sheriff's **weekly report** will return next week.

The driver of a car lost control and took out 50+ feet of pathway fencing along Elena Road near Taaffe. The car remained but the driver, a Menlo Park resident, fled the scene. Photos attached.

[Williams Aviation Consultants](#) was hired to conduct on the Town's behalf a technical review of the FAA Initiative to Address Noise Concerns of Santa Cruz/ Santa Clara/ San Mateo/ San Francisco. The FAA has requested that local agencies review and comment on their proposal by the end of January.

I have requested that the Cities Association of Santa Clara County take up the matter of forming a Santa Clara County community roundtable for the purposes of addressing aircraft noise at a regional level as one of their annual priorities for 2016. The roundtable could be similar in function to the [SFO Community Roundtable](#) in San Mateo County.

Administrative Services Update:

During the Monday **FIC** meeting, Karen Huang, the Town's newly hired Finance Manager, and Monique Spyke and Charles Cook, new PFM representatives of the Town were introduced to the members of the FIC. A copy of the minutes and the Staff reported projects are attached. Major projects for the next six months include presenting a mid-year financial updates, competing a 5-year capital budget and the annual operating budget, changing banks, establishing a cash management and reserve policy, and seeking RFPs for Town's audit services.

With the close of Calendar 2015, the Department has been working with ADP to ensure the 2015 W2s comply with Affordable Care Act, including the reporting of Town medical contribution on employee's W2s.

As of January 15, 2016, the City Attorney (Meyers Nave) billed the Town for legal services for July through November. Below is a breakdown of said services and corresponding cost.

Services	Total
Retainer plus incidentals	\$ 50,437.54
Billable services to permits	3,810.18
Special legal services	
Linebarger	47,103.75
Other	4,846.77
Total	\$ 106,198.24

Parks and Recreation Update:

Los Altos Hills 60th Anniversary Gala is happening Saturday, January 30th from 6:00-11:00pm at Los Altos Golf & Country Club. Attendance numbers increased from 164 last week to 195. This event will be limited to 250 guests. For more information and to register visit: <http://www.losaltoshills.ca.gov/60th-gala>

The **Community Relations Committee** had their last meeting prior to the 60th Anniversary Gala. The Chair has setup weekly meetings with staff.

The Ad Hoc Committee and staff met with **Godbe Research** to finalize the resident survey. There are a few minor edits.

Sarah completed her first **Toastmaster's** speech: Ice Breakers and received the best speaker ribbon!!

Staff is continuing to research for new **Recreation Software**. Staff met with another representative from MaxGalaxy.

Town offices will be **closed** on Monday January 18th in observance of Martin Luther King, jr. Day.

Feel free to call or e-mail with any questions.

Thanks.

Carl

Last Updated on 1/15/2016

<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
1	I-280/Page Mill Interchange	<p>(6-19-15) County staff presented the Page Mill Road Expressway Corridor Study report to council. Council requested County to discuss Park n Ride lot issues with Caltrans and Stanford, move forward with the process of widening Page Mill to six lanes and move forward with the interim measures to improve bicycle safety with new pavement markings. Comments from the public are due to the County by August 7, 2015. (8-28-15) The Expressway Plan will be discussed at the 8-31-15 County Policy Advisory Board. (9-11-15) Project is on the preliminary list for Envision Silicon Valley. (9-25-15) Project was missed on the draft Envision Silicon Valley (ESV) project list. Staff confirmed that it is now on the revised list from VTA. (10-16-15) Caltrans and County discussing interim measures to improve ped and bike travel through the interchange. Staff requested copy of plans, when available, for review and comment. (10-23-15) A Town resident notified the Town to see if something can be done with the use of the shoulder as a travel lane at the I-280 southbound Page Mill off-ramp. Resident feels that it is unsafe. Staff forwarded the concern to Caltrans and they indicated that they will review. (10-30-15) Staff, County and Caltrans to meet mid November to discuss current status of short and long term plans. (11-12-15) Staff to meet with County and Caltrans on November 16 to discuss status of the Page Mill interchange plans and the bicycle accident. (11-20-15) Staff met with County, Caltrans, VTA, and Palo Alto to discuss implementing the interim plan that the County had prepared to improve bicycle travel through the interchange. Caltrans stated that they would need 2.5 to 3 years before anything can be implemented, which everyone agreed was too long, County indicated that they do not have any funds, VTA and Palo Alto indicated that they would check to see if there are funds that can be used. Town staff indicated that if other agencies are contributing to the cost of the project, we would recommend that LAH also provide some financial support. (11-25-15) Mayor sent letter to County Board of Supervisors requesting that they make it a high priority to implement improvements on Page Mill Road to facilitate safer bicycle travel through the interchange. (12-11-15) Staff checking with County to see if VTA and/or Palo Alto has provided any update on possible funding for implementing an interim plan on Page Mill Road. (12-18-15) County indicated that VTA may be able to provide \$250k for the project. County is estimating the cost may be about \$450k and is looking for possible grant funds. Staff also met with Palo Alto staff and they are reviewing the County's concept interim plan and will likely be providing comments. (1-8-16) VTA has identified \$250K in leftover Measure B funding and is going to the VTA committees in January to start the process of allocating this funding to the County's interim plan. County staff will also apply for \$150K in TFCA grant funding. With an estimated cost of \$480k for design and construction, County is about \$80k short. County may be reaching out to Los Altos Hills and Palo Alto for cost sharing. (1-15-16) The staff attended the VTA TAC meeting and supported the allocation of \$250,000 of measure B fund for the County's interim plan. The committee voted unanimously to approve the allocation of funds.</p>

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
2	El Monte Road Rehabilitation Project	(10-30-15) Reimbursement check received for about 80% of grant amount. Final reimbursement request documentation will need to be prepared after project closeout and final retention payment has been made. (11-5-15) Project to be presented to Council at the November meeting for acceptance and release of retention. (11-20-15) Council approved the acceptance of the project at the November meeting. Staff to record notice of completion. (11-25-15) Notice of completion recorded. (12-4-15) Retention payment to be made after completion of 30 day recording period. Final reimbursement paperwork to be processed after payment of retention. (1-8-16) Staff submitted reimbursement paperwork to Caltrans for review. Caltrans staff provided comments and staff resubmitted documents. Caltrans staff reviewing reimbursement request.

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
3	Miranda Road Path	<p>(5-1-15) Design in progress. Staff had arborist look at an oak tree and based on poor form and location under power lines, design will proposed to remove the tree for the new path. (5-15-15) Pathway design in progress, draft pathway plans scheduled to be submitted to the Town week of 5-18-15 for review. (5-22-15) Draft plans have been received and sent to the neighborhood representative and pathway committee chair for comments. (5-29-15) Staff met with neighborhood representative to discuss comments on draft plans. Pathway committee to provide any comments they may have. (6-5-15) Staff to finalize review and provided comments to designer week of 6-8-15. (6-12-15) Pathway committee did not provide any comments on the preliminary design. Staff and neighborhood representative comments provided to designers. (6-19-15) Designers working on addressing comments provided by the Town. (7-10-15) Designers resubmitted revised plans. Staff sent to neighborhood representative and Pathway committee chair for comment. (7-17-15) Comments received from neighborhood representative, but still waiting for comments from pathway committee. Staff to provide comments to designer week of 7-20-15. (7-23-15) No comments provided by pathway committee. Staff comments provided to designers. Final documents to be submitted first week of August. (8-14-15) Final plans received from designers, staff to send to pathway committee and neighbor representative. Staff received approval of TDA article 3 grant funds in the amount of about \$15,000 for this project. (8-21-15) Final plans sent to pathway committee and neighborhood representative. Pathway committee to review and discuss priority to make recommendation to council. (8-28-15) Pathway committee recommends moving forward with the Miranda Path. Item to be presented to Council for approval. (9-4-15) Staff notified neighbor representative of status. Item to be discussed at the September Council meeting. (9-11-15) Staff will be requesting authorization to solicit construction bids for the project at the September 17 Council meeting. (9-18-15) Council approved the project to be advertised for bids. (10-9-15) Project scheduled to be advertised on 10-14-15. Bid opening scheduled for November 18, 2015. (10-25-15) project has been advertised. (11-20-15) Bids were opened on November 18, 2015. Apparent low bid amount is \$155,633.50. (12-4-15) Project will be presented to Council at their December meeting for authorization to award project. (12-18-15) Council continued the project to the January council meeting. Council wanted staff to reach out to the property owners to make them aware of the potential impact from the pathway installation and they also wanted to get input from the pathway committee. (1-8-16) Staff met with neighborhood representative and provided update on council action. Per council direction, authorization to award for construction will be brought back to council at the January meeting. (1-15-16) Staff sent letter to all the residents on the west side of Miranda Road notifying them that parking would not be allowed on the path if constructed and that certain properties may be subject to a pathway in-lieu fee in the future.</p>
4	O'Keefe Lane and Vista Serena Drainage (Creek Clearing)	<p>(5-17-13) Project awaiting funds. (11-21-14) Creek Clearing will required permits from Department of Fish and Game, Regional Water Quality Control Board, Army Corp. of Engineers, and perhaps other agencies. Staff continues to monitor and perform temporary mitigation. (9-25-15) Staff will inspect and prepare for upcoming rains.</p>

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Tasks	Project Name	Latest Status
5	Townwide Pathway and Roadway safety inspection program	<p>(10-4-13) For the month of September 2013, staff performed corrective action on 20 potential liability issues identified by routine inspections. (11-15-13) For the month of October 2013, staff performed corrective action on 40 potential liability issues identified by routine inspections. (1-3-14) For the month of December 2013, staff performed corrective action on 18 potential liability issues identified by routine inspections. (2-28-14) For the month of January 2014, staff performed corrective action on 13 potential liability issues identified by routine inspections. (3-7-14) For the month of February 2014, staff performed corrective action on 5 potential liability issues identified by routine inspections. (6-6-14) For the months of April and May 2014 staff performed corrective action on 27 potential liability issues identified by routine inspections. (8-29-14) For the month of June staff performed corrective action on 11 potential liability issues identified by routine inspections. (9-19-14) For the month of July and August staff performed corrective action on 44 potential liability issues identified by routine inspections. (10-24-14) For the month of September staff performed corrective action on 8 potential liability issues identified by routine inspections. (1-9-15) For the months of October to December staff performed corrective action on 8 potential liability issues identified by routine inspections. (2-13-15) For the month of January staff performed corrective action on 9 potential liability issues identified by routine inspections. (7-17-15) Staff training intern to perform inspections. (7-23-15) Intern doing inspections and working with field crew to address. (7-31-15) Town staff looking for dead pine trees and sending notices out as appropriate. (8-21-15) Tree notices being sent to property owners. (9-4-15) Staff completed sending dead tree notices identified by arborist. Staff also met with Fire district regarding the dead trees. (9-18-15) Town staff working with the Fire District and the district's consultant has just about completed a large project of removing several large hazardous trees near Purissima Park. Work involved large cranes, traffic control, closing parking lots, coordinating with park users, and working with property owner. (9-25-15) For the months of February to September staff performed corrective action on 43 potential liability issues identified by routine inspections. (1-8-16) For the months of October to December staff performed corrective action on 12 potential liability issues identified by routine inspections.</p>
6	Robleda Road Pathway (Fremont to Beatrice) (Project #4)	<p>(8-10-12) Permits have been received from various regulatory agencies. Waiting for funding. (11-21-14) Estimated project cost is over \$600,000. Staff had previously provided some additional signage and shifted the roadway slightly to increase the pathway width. Staff continues to look for possible grant funds. (1-23-15) Staff provided information to Pathway Committee chair. (3-5-15) Committee chair requested hard copies of the drawings for their use to discuss possible grant funding. Staff provided drawings.</p>

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
7	Sewer Operations	<p>(6-12-15) Amendment to West Bay's agreement to increase scope of work and provide a three year extension to be presented to Council at their June meeting. (6-19-15) Council approved a three years extension to West Bay's contract. (7-10-15) Amendment to extend West Bay's contract has been sent for West Bay's review. The April 2015 summary of O&M activities is attached. (7-17-15) West Bay has approved the three year contract extension. Signatures being obtained. The May 2015 summary of O&M activities is attached. (8-14-15) Staff received and is reviewing the June invoice for O&M. West Bay's May report for LAH to their board is attached. (8-21-15) The June 2015 summary of O&M activities is attached. West Bay discovered a major offset at a drop manhole during routine maintenance. Staff performing emergency repair work. (8-28-15) Staff setting up meeting with West Bay to discuss planning of upcoming activities. West Bay's July report to their board for LAH activities is attached. (9-4-15) Meeting with West Bay scheduled for mid September. The July 2015 summary of O&M activities is attached. (9-18-15) West Bay's August report to their board for LAH activities is attached. The sewer system assessment and status update report is attached. Council authorized the City Manager to execute an agreement with V.W. Housen and Associates to provide staff augmentation services to the Town. (9-25-15) Staff working with Town's sewer contractor and consultant to prepare presentation for Council. (10-2-15) Presentations will be provided to Council at their October meeting. (10-9-15) Staff working with West Bay and V.W. Housen on Council presentation. (10-16-15) The August status update of sewer activities is attached. (10-30-15) Response to comments from interested resident is attached. (11-5-15) West Bay's September report to their board for LAH activities is attached. (11-13-15) The August 2015 summary of O&M activities is attached. (12-4-15) The September status update of sewer activities is attached. (12-18-15) The October 2015 summary of O&M activities is attached.</p>
8	Wet weather flow monitoring	<p>(12-19-14) Due to the amount of wet weather we had recently, there is an opportunity to obtain good wet season sewer flow data. Staff will propose to obtain approval for the City Manger to authorize flow meter installation prior to a storm event. (1-9-15) Staff will be requesting Council approval at the January meeting. (1-16-15) Council authorized City Manager to execute necessary agreements for flow meter installation. (1-15-16) Staff and consultant monitoring the weather for flow meter installation.</p>

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Tasks	Project Name	Latest Status
9	Erosion on Page Mill Road near Baleri Ranch Rd	<p>(10-17-14) Consultants are working on preliminary environmental work and expect to be completed by the end of October. After that, consultants will start taking a look at the initial project description and preliminary engineering studies. (11-14-14) Consultants completed the preliminary environmental work and is working on the preliminary design. Should have preliminary design completed by early December. (12-12-14) Consultants are a little behind schedule. Will try to catch up in the next few weeks. (12-19-14) Consultant provided preliminary design proposal and project description. Staff reviewing. (1-9-15) Staff provided comments and will set up conference call to discuss. (1-16-15) Staff discussed comments with consultant. Consultant will do some analysis and get back to staff. (2-6-15) Consultant submitted modified preliminary design for staff to review. (2-13-15) Staff provided comments to consultant. (2-27-15) Consultant prepared a Biological Assessment and the Wetlands Delineation Report. They are working on documents for permit applications to outside agencies. (3-5-15) Planning reviewing format for environmental document. (3-20-15) Format for environmental document is acceptable. Consultant will begin working on the CEQA documents. (3-27-15) Hydraulic analysis, Biological Assessment and the Wetlands Delineation Report have been completed. Consultants working on documents for permit application to regulatory agencies. (4-3-15) Consultant submitted project description for environmental document. Staff to review. (4-24-15) Consultant prepared permit applications for submittal. Staff reviewing permit applications for outside regulatory agencies. (5-1-15) Staff provided comments on applications. Consultant finalizing application for Town signature. (5-8-15) Applications to regulatory agencies have been submitted for review. (5-22-15) Comments from Regional Water Quality Control Board received. Consultants working on addressing comments and continuing to work on CEQA documents. (5-29-15) Still waiting for comments from other agencies. (7-23-15) Consultant prepared revised vegetation plan to address RWQCB comments for incorporation into CEQA document. (8-14-15) Draft CEQA document has been submitted. Staff reviewing. (9-4-15) Staff comments sent to consultant. (9-11-15) Consultants incorporating staff comments on the environmental document. (9-25-15) CEQA document to be released for public comment within a week or two. (10-9-15) Additional minor comments to be addressed in the CEQA document. Schedule for 30 day public review is planned for mid-October to mid-November. (10-16-15) Public commenting period to start on October 21, 2015. (10-23-15) The environmental document has been filed, recorded, and noticed for public comment. (11-5-15) Environmental document has been posted on Town's website. (11-25-15) Initial study and Mitigated Negative Declaration will be presented to Planning Commission at their December meeting. (12-4-15) Planning Commission voted to recommend approval of the Initial Study and Mitigated Negative Declaration. (12-11-15) Initial Study and Mitigated Negative Declaration to be presented to Council for approval at the January meeting.</p>
10	VTA Bicycle Expenditure Plan applications	<p>(12-14-12) Staff to work on application to add Nicholson Path Extension and Fremont Road Bike path phase 2 to the Bicycle Expenditure Plan. Applications due 1-31-13. (2-1-13) Applications have been submitted and received by VTA. (3-22-13) Staff provided supplemental information to VTA regarding Hale Creek Path in an effort to secure additional points to qualify to be in the BEP. (4-3-13) All submitted projects were approved to be added to the new BEP. (4-11-13) Hale Creek path and Fremont Road Safe Route to School phase 2 are now on the BEP.</p>

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
11	El Monte/I-280 interchange	<p>Traffic Safety Committee had some concerns about the stop sign and alignment of the northbound El Monte/I-280 off-ramp. Staff contact CalTrans to discuss. The Stop sign was requested by the Town in 2003, however, there is still a high number of accidents. Town staff worked with CalTrans to improve the safety concern. CalTrans requested funds under their SHOPP program and \$1.2 million was approved to realign the off-ramp so that it comes in more perpendicular to El Monte. TSC supports the proposed realignment. (3-1-13) Tentative schedule is to do the design in 2015 and construct in 2016/2017. (8-22-14) Project study report has been provided by CalTrans. Staff reviewing. (8-29-14) Staff to provide update at an upcoming City Council meeting. (9-19-14) Staff to provided an update to council. Any proposed construction would not likely begin until 2017. (9-26-14) Staff provided update to Traffic Safety Committee. (10-17-14) Staff provided an update to City Council at the 10-16-2014 meeting. (3-27-15) Caltrans has this project scheduled for construction in 2017. Staff trying to get more details from Caltrans. (4-3-15) Caltrans working on paperwork to begin design work. Per Caltrans, construction is still scheduled for 2017. (11-25-15) Per Caltrans, they expect to have project plans sometime around September 2016.</p>

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Tasks	Project Name	Latest Status
12	Anacapa/La Cresta Utility Undergrounding	<p>(1-16-15) Council approved agreement. Staff to execute agreement with consultant. (1-23-15) Agreement has been executed. Consultant working on a schedule. (1-28-15) Staff to set up kick off meeting with consultant and neighborhood representative. (2-6-15) Meeting with consultant and neighbors scheduled for 2/9/15. Consultants walked some areas with neighborhood representatives and are now working on developing the district boundary. (3-5-15) Neighborhood group provided update to the entire neighborhood. Staff provided electronic files to consultant for their use. (3-27-15) Consultants preparing drawing showing preliminary trench layout and the proposed substructures to replace the overhead facilities. (4-10-15) Consultant submitted preliminary estimate and trench layout plans. Staff sent to neighborhood representative for review. (4-17-15) Staff to meet with neighborhood representative on 4-24-15 to discuss information received from consultants. (4-24-15) Staff met with neighborhood representative and they requested staff to clarify information from the consultants and also reach out to the previous contractor that did the Purissima undergrounding project to obtain trenching cost. (5-15-15) Per request from neighborhood representative, staff provided rough cost information from previous contractor. Staff trying to get PG&E to review and provide comments on the preliminary trench layout. (5-22-15) Staff in contact with PG&E to schedule a meeting. (6-5-15) Meeting with PG&E and design consultant scheduled for 6/22. (7-10-15) PG&E agreed to provide some input and review comments at the 6/22 meeting. PG&E will begin tapping into the \$5,000 rule 20a allocation that the council approved about a year ago. (7-17-15) Designers working with PG&E staff to clarify comments. (7-23-15) PG&E providing feedback to designers. (7-31-15) Designers scheduled to provide revised map and estimates in the first week of August. (8-14-15) Updated map and estimate has been submitted and provided to neighborhood representative. Staff to set up meeting to discuss. (8-21-15) Meeting scheduled for August 25th. (8-28-15) Consultant and neighbor representatives discussed engineering and assessment district formation. Staff working on getting register voter and election information. (9-18-15) Consultant met with neighborhood representative to look at a particular site. Staff provided information regarding how to obtain registered voter information to the neighborhood representative. (9-25-15) Neighborhood representative will discuss going to the County to get registered voter information. (10-16-15) Staff to meet with neighborhood representative week of 10-19-15. (10-23-15) Meeting to be rescheduled due to schedule conflict. (10-30-15) Staff met with neighbor representatives and they will do a poll of the residents to see how many would like to move forward.(11-13-15) Staff received draft survey to residents. Staff checking with consultants on estimated amounts indicated in the survey. (12-4-15) Neighborhood representative sent out survey to rest of neighbors to determine feasibility of moving the project forward. (12-11-15) Staff provided some additional comments to consultant regarding estimate for bond transactions.</p>

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
13	Hale Creek/Magdalena connector Path	(9-11-15) Design of path from Magdalena to the Bob Stutz path is underway. (9-18-15) Staff received plans from designers for review. Plans sent to the Pathway Committee for review and comment. (9-25-15) Awaiting comments from pathway committee. (10-2-15) Staff confirming if there are any comments from the Pathway Committee. (10-16-15) Staff working with design engineer to verify appropriate agency approval/documentation needed to complete pathway. (10-23-15) Staff working on sketch to obtain additional easement from Cal Water. (10-30-15) Staff to work with CalWater to obtain additional easement for pathway. (11-13-15) CalWater reviewing easement request. (12-11-15) CalWater district manager staff has returned after a leave of absence and will be reviewing the easement request. (1-8-16) Additional information provided to CalWater. (1-15-16) Staff spoke to CalWater and clarified the need for the easement.
14	Emergency communication antenna	(7-19-13) Staff met with Jim Abraham to discuss requirements for emergency antenna. Height needs to be 100 feet above ground. Staff to research antenna poles/towers and cost for installation. (8-9-13) Staff meet with antenna tower contractor to obtain budgetary cost information. (8-16-13) Rough cost estimate provided to Jim Abraham.
15	Long Range Trash Management Plan	(1-31-14) Staff prepared and submitted the Town's Long Term Trash Management Plan for submittal to the water board. (2-6-14) Plan has been submitted and is on the Boards website.

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Tasks	Project Name	Latest Status
16	Open Space Stewardship	<p>(3-20-15) Agreement for year two with Acterra to be presented to council at the April meeting. (3-27-15) Staff working on agreement with Acterra for grant writing to SCVWD. (4-3-15) Agreements for year 2 stewardship and grant writing assistance have been sent to Acterra. (4-10-15) Agreement for grant writing in process of being executed. Staff to present second year stewardship agreement with Acterra at the April meeting for Council consideration. (4-17-15) Acterra waiting for SCVWD call for project to submit request for grants. (4-24-15) Council approved a contract with Acterra for a second year. Agreement being executed. (5-8-15) Staff working with Acterra on mowing schedule. (5-15-15) Mowing was performed at Byrne Preserve in coordination with Acterra and the Town's mowing contractor. (5-29-15) Staff to coordinate another round of mowing in June. (6-5-15) Mowing in Byrne Preserve and O'Keeffe scheduled for week of 6-15-15. (6-12-15) Area for mowing at Byrne Preserve has been marked. Town's mowing contractor will be mowing Byrne Preserve and O'Keeffe week of 6-15-15. (6-19-15) A section of Byrne Preserve and O'Keeffe was mowed for yellow star thistle. Town's mowing contractor to return in two weeks to mow again. (7-10-15) Staff working with Acterra to set up quarterly meeting in July. Mowing of Byrne Preserve and O'Keeffe scheduled for week of 7-13-15. (7-17-15) Acterra quarterly meeting scheduled for 7-20-15. (7-23-15) Quarterly meeting was held with Acterra and members of the Open Space Committee (OSC). Acterra submitted a draft grant proposal for comments. Staff forwarded to members of OSC for comment. Grant request due August 10, 2015. (7-31-15) Comments on grant application provided to Acterra. (8-14-15) Staff obtaining final version of grant application. Staff reviewing proposal for grazing consultant to assess Byrne Preserve. (8-21-15) Staff contacting references for proposed grazing consultant. (8-28-15) Agreement with grazing consultant executed. Consultant to schedule site visit. (9-11-15) Staff met with members of the OSC to discuss SOD in Byrne Preserve and that Committee members would like some more time to research latest recommendations for SOD treatment. Staff did some mowing in the Saddle Mountain area. (9-18-15) Acterra held a volunteer event on 9/14 to do weeding in Byrne Preserve. (9-25-15) Acterra will be hosting additional volunteer days at Byrne Preserve for 9/26 and 10/5. (10-2-15) Acterra's second quarter progress report is attached. (10-16-15) Staff scheduling meeting with Acterra to provide status update. (11-5-15) Acterra has done some restructuring, making the Stewardship Program a fiscally sponsored project of Acterra. Town contacts will remain the same. (12-18-15) Meeting with Acterra has been scheduled for January 2016. (1-15-16) Draft grazing recommendation memo has been received from the consultant. Staff and committee reviewing.</p>
17	Drainage improvement at Newbridge	<p>(8-28-15) Staff identified a drainage problem on Newbridge. Staff working on getting quotes to prepare a design. (9-4-15) Staff in process of meeting designers. (9-11-15) Designers working on proposals. (9-18-15) Staff received one proposal and still waiting for one more. (9-25-15) Staff received two proposals and is working on agreement for consultant. (10-9-15) Designer to provide schedule for design work. (10-23-15) Survey work completed, design underway. (10-30-15) Preliminary design scheduled to be submitted mid November for staff review. (11-5-15) Design in progress. (11-20-15) Staff to follow up on status of preliminary design submittal. (11-25-15) Staff received preliminary plans for review. (12-4-15) Staff received a revised preliminary design package and is in the process of reviewing the documents. (12-18-15) Comments on the design have been provided to the designer to incorporate.</p>

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<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
18	P-TAP Round 17 grant funds	(10-9-15) Staff working on application for grant funds. (10-30-15) Staff completed and submitted grant request. (12-11-15) Results of grant request should be available in early 2016.
19	Town Cupola Restoration	(2-13-15) Restoration work in progress. (2-27-15) Restoration work completed. Cupola to be bolted in place. Staff working with History committee member on a time capsule. (3-5-15) Staff met with contractor to discuss minor items to complete. (3-20-15) Project completed. History committee members working on a time capsule that would be placed inside the cupola. (5-22-15) Council approved the wording for a plaque at the May 21, 2015 Council meeting. (8-14-15) Plaque received. (8-21-15) Staff working on getting a stand to mount the plaque. (10-2-15) Staff has contractor on board. Plaque stand being made. (10-9-15) Stand being painted. (10-16-15) Plaque stand completed. Town staff preparing for installation. (10-23-15) Cupola plaque has been installed. (11-20-15) At the request of the history committee, staff verified that the proposed time capsule will fit inside the Cupola. (12-18-15) Time capsule has been purchased by the history committee.
20	I-280 Repaving	(12-13-13) Staff contacting CalTrans again to see if they have an update on when I-280 within Los Altos Hills will be scheduled to be repaved. (12-20-13) E-mail received from Jeremy Dennis discussing the CalTrans process. By fall of 2014 Caltrans will decide which projects will be included in the 2016 SHOPP program for bidding in 2018-19. Not sure if a section of I-280 within LAH will be selected. (7-18-14) Mayor will be sending a letter to CalTrans to request expediting the paving schedule for I-280 within Los Altos Hills. (9-19-14) Letter was sent to Caltrans. (10-17-14) Caltrans staff indicated that per the program schedule, the soonest the paving work would occur is in 2018/2019 and the latest it would occur is in 2019/2020. Staff still trying to contact the District Director. (11-21-14) Senator Jerry Hill's office is getting involved. (1-9-15) Caltrans district director to meet with Town Mayor and councilmember to discuss project. Assemblyman Rich Gordon's office is involved. (1-16-15) On-line petition being developed. (1-28-15) Caltrans working on project initiation document (PID) for pavement improvement and expects to submit in June as a candidate for funding in the 2016 SHOPP. (4-17-15) Caltrans has some questions regarding the noise measurements provided to them. Staff forwarded responses to Caltrans. (5-29-15) Supervisor Joe Simitian sent letter to Caltrans requesting that they program the I-280 repaving project in the next programming cycle. (7-31-15) Caltrans completed and approved a Project Initiation Document to resurface I-280 from Foothill Boulevard to 0.5 mile north of Sand Hill Road. Project to be submitted for the 2016 SHOPP program to compete for funds. (8-14-15) Per discussion with Caltrans staff, project is approved under the 2016 SHOPP program. Construction should occur around 2018. (11-20-15) Per Caltrans project development for this project is pending CTC approval of the SHOPP candidates in April 2016. If approved, target construction is Summer of 2019.

Last Updated on 1/15/2016

<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
21	El Monte Segment 4	El Monte will remain on the list for future BEP funds. (9-14-12) Based on the revised OBAG grant program the scope of work will need to be increased to qualify for the discretionary program. (2-21-13) Staff submitted a new application for the BEP list as all project will be re-evaluated. (4-3-13) Project was approved to be on the new BEP list. (9-11-15) Project is on the preliminary list for Envision Silicon Valley. (9-25-15) Project was missed on the draft Envision Silicon Valley (ESV) project list. Staff confirmed that it is now on the revised list from VTA.
22	Barron Creek Drainage Channel Maintenance (26170 W. Fremont Road)	(5-8-15) Staff requesting funds in the budget for this joint project with the adjacent property owner. (6-19-15) Consultant working on proposal for property owner. (7-10-15) Property owner provided proposal to Town for review. Staff reviewing. (7-17-15) Staff to discuss proposal with property owners representative. (7-23-15) Staff discussed agreement comments and consultant proposal with property owners representative. (7-31-15) Property owner working on drafting a formal agreement and a maintenance agreement. (8-28-15) Property owner's representative is preparing to engage an attorney to draft the necessary agreements for Town to review. (9-4-15) Property owner looking for attorney. (10-2-15) Property owner has attorney on board to work on agreement. (10-9-15) Staff met with property owner's representative and their attorney to discuss project. (10-30-15) Property owner's consultant provided draft report for staff to review. (11-5-15) Property owner's representative submitted a draft agreement for Town to review. Meeting with property owner scheduled for week of November 9. (11-13-15) Staff met with designers to discuss schedule. Town attorney reviewing proposed cost sharing and maintenance agreement. Staff reviewing consultants draft report. (11-20-15) Staff contacting applicants consultants to obtain electronic files for the hydraulic analysis so that a review can be performed. (11-25-15) Hydraulic model has been provided to the Town's consultant to review. (12-4-15) Staff and consultant reviewing concept plan and hydraulic analysis. Staff provided comments to Town Attorney's office on the draft cost sharing agreement. Attorney to incorporate Town comments. (12-11-15) Town Attorney's office to provide revised comments on cost sharing agreement 12-11-15. Applicant's representative is being changed and Town staff to meet with new representative on 12-15-15. (12-18-15) Staff provided comments on the cost sharing agreement, hydraulic analysis, draft schedule, and preliminary plans to the applicants consultants. (1-16-15) Applicant's consultant submitted an addendum to the environmental document previously approved. Staff reviewing.

Last Updated on 1/15/2016

Tasks	Project Name	Latest Status
23	VTA TAC Meetings	<p>(9-27-13) Town will receive approximately \$47,000 in vehicle registration fee to be used for the Town's road rehabilitation projects. (10-11-13) Staff attended the 10-10-13 TAC meeting. No announcements of any grant opportunity. Committee will be working on selecting a new chair and vice chair.(5-9-14) Staff attended the 5-8-14 TAC meeting. Committee voted to recommend board approval for FY 2014-15 Countywide Transportation Development Act Article 3 program. (10-10-14) Selection of new chair and vice-chair is in process. No agency in Santa Clara County received the State ATP grant and only one in Santa Clara County got approval for the regional ATP grant. (1-16-15) MTC reported that the deadline for the housing element certification has been extended to 5/31/2015 and the deadline for circulation element adoption (to meet Complete Street Act of 2008) to 1/31/2016. VTA is also preparing to start the Light Rail Enhancement Program that will analyze a number of light rail projects that focus on increase the speed of the entire system. The rail lines to be studied are in downtown San Jose, connections to the future BART Milpitas Station, and Downtown Mountain View. Caltrans is preparing to launch a Caltrans Encroachment Permit Workshop to assist the local agencies to better understand the permitting process. The tentative date of this workshop is 3/19/2015. (2-6-15) Next VTA TAC meeting scheduled for 2-12-15. (4-17-15) Staff attended the April 9th TAC meeting. VTA staff reminded the committee that local Housing Element needed to be approved by May 31, 2015 to be eligible for grant funds. (8-28-15) Staff attended the 8-13-15 TAC meeting. Information was provided on the One Bay Area Cycle 2 program development. (9-11-15) Staff attended the 9-10-15 TAC meeting and the Envision Silicon Valley working group meeting. There were some projects within Town that were inadvertently left off the preliminary project list. Staff notified VTA staff and they will make corrections. (9-25-15) Staff received revised list from VTA and confirmed that Town projects are on the revised list. (10-9-15) Staff attended the TAC meeting and the Envision Silicon Valley (ESV) ad-hoc committee meeting on 10-8-15. OBAG round 2 is coming up and the program structure is being discussed. ESV distribution and formula is being discussed at the Ad-Hoc committee. (11-13-15) VTA TAC and other committees working on completing recommendations for Envision Silicon Valley ballot measure so that the Board can discuss at their April 2016 meeting. (1-15-16) Staff attended the 1-14-16 TAC meeting and the Envision SV Ad-Hoc committee meeting. A new chair and vice chair was selected. Committee took action to approve allocation of \$250,000 to help fund the interim bicycle improvements on Page Mill/I-280 interchange. Ad-Hoc committee working on selection criteria for projects listed for Envision SV.</p>

Last Updated on 1/15/2016

<u>Tasks</u>	<u>Project Name</u>	<u>Latest Status</u>
24	2015 Sewer rehabilitation project	<p>(3-20-15) Bids were received from 2 contractors. Award of contract to be presented at the March 30 Council meeting. (4-3-15) Council approved the award of construction contract at the March council meeting. Council requested staff to get input from Town's sewer consultant regarding the bids received and reasonableness of the Town moving forward with the award of the contract to the low bidder. Staff provided information to the Town's sewer consultant for review. (4-10-15) Staff to issue award letter to contractor. (4-17-15) Award letter has been issued. Staff waiting for bonds and insurance. (4-24-15) Staff scheduling preconstruction meeting for week of April 26, 2015. (5-1-15) Pre-construction meeting was held on 4-29-15. Contractor sending notices out to affected residents. (5-8-15) Project underway. Staff working with consultant to review and modify work as needed. (5-15-15) Contractor performing repair work. Staff and consultant are reviewing pre-construction video and adjusting scope of work as required. (5-29-15) Preliminary adjustments to work based on video and site specific location are one less point repair, two additional pipe bursting and one additional pipe reaming. Changes due to unforeseen conditions and additional information will further modify work activities. (6-19-15) Contractor not working in Town due to emergency project in another city. Construction activity will resume end of June. Project is approximately 70% complete. (7-10-15) Contractor continuing work in Town. Staff had contractor perform emergency repair on a collapsed pipe segment on Murietta Lane. (7-17-15) Staff to add two additional segments based on recent video information. (7-23-15) Contractor plans to complete the project in early to mid August. (7-31-15) Three locations remain to be completed. (8-14-15) Contractor completing miscellaneous work and testing activities. Staff to develop punchlist. (8-21-15) Work completed. Paperwork still in progress. (8-28-15) Staff still waiting for some post construction video. (10-16-15) Video of line segments submitted. Staff reviewing final videos from contractor for payment. (11-13-15) Staff working with contractor on a few testing issues. (12-18-15) Acceptance of project will be presented to council at the January meeting.</p>

Last Updated on 1/15/2016

Tasks	Project Name	<u>Latest Status</u>
25	Gardner Bullis Crosswalk study	<p>(7-25-14) Staff working with school parents and traffic consultant to study the existing crosswalk on Fremont Road near the school. (8-7-14) Crosswalk study to be presented at the August City Council meeting. (8-22-14) Council approved the relocation of the crosswalk and the installation of push button operated lighted signs. Staff to obtain quotes to perform the work. (9-11-14) Staff preparing agreement for crosswalk relocation, still waiting for flashing sign proposals. (9-19-14) Curb ramp installation underway. (9-26-14) Curb ramps installation completed. Need custom application for lighted signs to be visible from Fremont Pines Lane. Funding authorization to be requested at the October council meeting. (10-17-14) Council approved the funding to install the lighted crosswalk signs. (11-6-14) Agreement being executed with contractor. (12-19-14) Work is scheduled to be completed by the end of February. (2-13-15) Contractor waiting for material delivery. Foundation work has been completed. (2-27-15) The signs are in transit and expected to arrive mid next week. Staff is working with the contractor to see if they can intercept the delivery earlier in order to install ASAP. (3-5-15) Installation has been completed. Staff and contractor verifying delivered components. Some further adjustments may be needed. (3-20-15) Staff reviewing options to slow students on bicycles down prior to entering the crosswalk. (3-27-15) Signs are operational after replacement of controller. (4-10-15) Staff working on sketch for reconfiguration of the pathway to slow bikes down prior to entering the crosswalk. Staff ordered "Walk Your Bike" signs for the crosswalk. (4-24-15) "Walk Your Bike" signs have arrived, staff to schedule installation. (5-1-15) "Walk Your Bike" signs have been installed. (5-8-15) Staff sent recommendation for a revised school sidewalk layout to school district for consideration. (5-15-15) Staff working on crosswalk sign adjustment for increased visibility. (5-22-15) Staff coordinating further sign adjustment with contractor. (9-4-15) Staff checked operation of signs on 9/1 and 9/2, all working properly. (9-11-15) Over the last five years the Town has implemented approximately \$1.28 million worth of improvements to facilitate safer pedestrian and bicycle access to the school. List of improvements attached. (9-25-15) Staff working on agreement for Traffic consultant to review and study the area of the crosswalk. (10-2-15) Consultant working on study. (10-16-15) Item discussed at 10-14-15 City Council meeting. Draft consultant report scheduled to be submitted by end of October. (10-30-15) Staff reviewing draft report from consultant. (11-5-15) Traffic consultant's technical memo to be presented to Council at the November meeting. (11-20-15) At the November Council meeting, Council directed staff to provide notices for the removal of the crosswalk. Staff working on posting and sending notices out on November 23, 2015. (11-25-15) Crosswalk removal notices have been posted and sent. Public hearing scheduled for December 16, 2015. (12-18-15) At the December council meeting an Ad-Hoc committee was formed to study the crosswalk with the school district. (1-8-16) First Ad-Hoc committee meeting scheduled for January. Staff the Town consulting traffic engineer will be attending. (1-16-15) Update on the Ad-Hoc committee meeting will be provided at the January council meeting.</p>

Last Updated on 1/15/2016

Tasks	Project Name	<u>Latest Status</u>
26	Review of non-residential sewer units	<p>(6-19-15) Sewer consultant to visit Town properties week of 6-22-15. Consultant will visit and meet with all non-residential users to inspect facility and discuss usage. (7-10-15) Consultant coordinating with non-residential facilities to set up appointments to visit and inspect. (7-23-15) Site visits to non-residential facilities in progress. (10-2-15) Most of the sites have been visited. Consultant hope to complete site visits by the end of October. (10-30-15) All site visits have been completed. Consultant working on analysis. (11-13-15) Staff and consultant to discuss draft results in early December. (12-11-15) Draft results submitted to staff. Staff to review and schedule discussion with consultant. (12-18-15) Staff to discuss draft results with consultant in January 2016. (1-8-16) Consultant preparing data sheets with preliminary findings to send to non-residential users for their review and comment. (1-15-16) Staff working with consultant on documents to be sent to each non-residential user.</p>
27	West Sunset Sewer Main Extension	<p>(11-5-15) The proposed project includes about 230 feet of 8" pipe and three manholes with depths ranging from 4 feet to 6 feet. Construction to begin soon. (11-13-15) Construction in progress. (12-4-15) Construction substantially complete. (12-11-15) Construction work completed. Staff to work with applicant to review and approve as-built plans.</p>





TOWN OF
LOS ALTOS HILLS

Project	FIC Meeting Date	Projected Completion Date	FY'16 Town Staff Project Status Report
			January, 2016 Status / Description
Recurring Items			
Annual Budget	6/18/2015	Completed	The 2015-16 Budget was adopted by the City Council on 6/18/2015. The budget was reviewed by Council and FIC under joint budget study session on 5/20/15.
	7/6/2015		No active work is done at this time.
Financial Audit/ CAFR	7/6/2015	Nov/Dec 2015	Staff reported that the interim financial audit field work has begun. Interim audit is scheduled for 7/6-7/10 and the Final audit field work is scheduled for 9/2-10/2. Staff reported that the Town received the GFOA Certificate of Achievement for Excellence in Financial Reporting award for the 2013-14 Comprehensive Annual Financial Report.
	11/16/2015	Nov/Dec 2015	Staff has begun reviewing the 2014-15 Comprehensive Annual Financial Report and will be working closely with the Town's auditor, VTD, to update the narratives and to ensure comparability with prior year.
	12/7/2015	Completed	
Investments Review	7/6/2015	Ongoing	No active work is done at this time. Mr. Oblites will attend the September FIC meeting to provide an update and overview of the Town's investment portfolio.
	9/15/2015	Ongoing	Mr. Oblites has left PFM and a new representative will contact the Admin Services Director. The Quarterly Report through June 30, 2015 was available and presented during the September FIC meeting.
	11/16/2015	Ongoing	Mrs. Monique Spyke had reached out to Staff and will be the new investment representative for the Town. From the meeting with Mrs. Spyke, PFM will provide the Town with Cash Analysis services which will help Staff develop a cash management policy. Additionally, PFM can perform initial assessment to see whether it would be beneficial to the Town for PFM to help with locating our next banking service provider.
	12/7/2015		No report
	1/11/2016	Ongoing	Mrs. Monique Spyke and Charles Cook presented the 2015Q4 results. Realized gain for fourth quarter is \$21,845 or 0.223% with an unrealized loss of \$55,870 as a result of rising interest rates. Unrealized gains and losses represent the fluctuation of the market and not the actual earnings of the investment.
GASB 45 - OPEB Actuarial Valuation	7/6/2015	Sept/Oct 2015	Staff received two quotes for the performance and deliverance of the Town's June 30, 2015 GASB 45 Actuarial Valuation Report. The disparity between the two quotes are unreasonably large requiring further research and evaluation.
	9/15/2015	Oct/Nov 2015	Staff contracted with Bartel Associates to complete the Town's June 30, 2015 GASB 45 Actuarial Valuation Report. Payroll information have been provided to Bartel and Staff is waiting for the completed report.
	11/16/2015	Completed	Mr. Doug Pryor completed the OPEB review and have provided an overview of the result to members of the FIC on 11/16/15 meeting. He also answered questions regarding prefunding pension liability.
Financial Updates	1/11/2016	Ongoing	Staff is currently completing December Month End and Quarter End and will be preparing for a mid-year financial update for City Council review in the February meeting. The financial update will also be presented to the FIC during the February meeting.
Pension Review	7/6/2015	Ongoing	Staff reported that the GASB 68 Pension report has been ordered from CalPERS and is waiting for the report to be made available. As for the new CalPERS actuarial report, once that is published, around Oct/Nov, the report will be provided. Staff will also contact CalPERS on the option to pay off the unfunded liabilities once the GASB 68 report is completed.
	9/15/2015		The GASB 68 report was published by CalPERS early September, 2015. The report is pending review.
	11/16/2015		Mr. Doug Pryor gave his opinion on prefunding pension liability and during the CalPera conference, CalPERS representative has explained upcoming changes to pension actuarial assumptions to better weather future investment uncertainties. Additionally, some discussion on GASB 68 and the delay the reporting has caused on publishing the annual Plan Actuarial.
	12/7/2015		No active work is done at this time.
	1/11/2016		PFM offers supplemental pension trust products and Ellen Clark from PFM presented the options. Additional information is needed from PARS and CalPERS.

Active Projects			
Review of General Liability and Workers Comp Insurance	7/6/2015		Staff reported the worker's comp cost and general liability insurance has increased from the prior year. This increase is a result of increase in reported payroll cost. Further analysis is needed to understand the increase in payroll cost and increase in general liability cost. The information will be provided to the FIC in the next meeting.
	9/15/2015		Staff provided overview on the cause of the increase in insurance cost. Questions regarding the distribution formula will be forwarded to ABAG and Staff will request for ABAG to respond in person or via memo.
Westwind Barn Audit	7/6/2015		Staff reported that discussion was made to the Town's auditor for an audit of Westwind Barn financials. Staff will review the contract agreement to determine the appropriate types of audit. FIC Chair Epstein and FIC Member Sloss have suggested that a financial review should be sufficient and a full audit is not necessary.
	9/15/2015		Staff is waiting for auditors to provide a quote.
	11/16/2015		Staff had proposed an Agreed-Upon Procedure Audit and set procedures to VDE and is waiting for confirmation before seeking additional quotes.

FY'16 Town Staff Project Status Report			
Project	FIC Meeting Date	Projected Completion Date	January, 2016 Status / Description
Active Projects			(continued)
WWB Six Month Review	7/6/2015		No active work is being done at this time. A six-month review as been scheduled for the September FIC meeting.
	9/15/2015		Six-month review was presented and FIC members agreed to remove item from future updates.
Sewer Rate Study	7/6/2015		Sewer Rate Study was completed with exception of non-residential customer rate review which is in process. Expected completion date to be determined
	9/15/2015		No action at this point.
	11/16/2015		No report was given to the FIC, however, the Public Works staff are working on the commercial rate portion of the study.
Financial Policies & Procedures	7/6/2015		No active work is being done at this time but a formal fiscal policy should be developed for City Council consideration and adoption.
	11/16/2015		Proposal to develop a cash management policy to be brought forward to the FIC after completion of Cash Flow Analysis by PFM.
	1/11/2016		PFM presented their cash flow analysis stating that with a 10% cushion, the Town will need \$3 million as liquid assets and the rest can go to the core investment, e.g. PFM. With the changing of the banking services and the related banking fees, further analysis will be required. Additionally, a reserve policy needs to be adopted by the City Council to ensure pension reserve and IT reserves are classified properly.
Permitting system and Business License Outsourcing	7/6/2015		Business License Outsourcing: Staff reported no work has been done and the tentative deadline for this project is December 2015, in time for the next permit renewal. Permitting system: Building Staff has begun the evaluation and has scheduled two demos in the month of July. This is preliminary stage and further information will be provided at a later time.
	9/15/2015		Financial system is updated to the latest version. Business License research is on hold pending further review of Town-wide website update. Permitting system is still under review. Building Staff will be scheduling to visit two local agencies to understand how their permitting system works and how the permitting system communicates with the financial system.
	11/16/2015		Staff contacted MuniServices and HdL for quotes on Business License operation management. A fee of \$13 is accessed by HdL with more customized service. Staff will be working with HdL to transition the 2016 Business License renewal.
	1/11/2016		Conversion process.

**DRAFT Finance and Investment Committee Special Meeting
Town of Los Altos Hills
Town Hall, Tuesday, January 11, 2016**

The meeting was called to order at 4:40 pm by Chairman Epstein.

Members present: Allan Epstein, Kjell Karlsson, Susan Mason, Roddy Sloss and Chris Welborn.

Member absent: Betty Kayton, Stan Mok and Bill Silver

Associate members present: Jim Lai and Frank Lloyd

Council present: John Harpootlian and Gary Waldeck

Staff present: Pak Lin, Finance & Administration Services Director and
Karen Huang, Finance Manager

Public present: None

Guests present: From PFM Asset Management LLC, Monique Spyke, Director and
Charlie Cooke, Senior Analyst.

Approval of minutes

December 7, 2015 meeting minutes were approved as amended by members who attended the prior meeting.

Presentation of Fourth Quarter Investment Performance Report by PFM

Ms. Lin introduced the Town's new PFM representatives: Ms. Spyke, who has been with PFM for thirteen years and Mr. Cook, who has been with PFM for four years. (The Town's long time prior representative, Carlos Obiltes, has left the firm.) Ms. Spyke will be taking family leave in the next few months. Mr. Cook presented a twenty page meeting handout reviewing fourth quarter 2015 Town investment performance and both Ms. Spike and Mr. Cook responded to questions. The portfolio average maturity is 1.81 years up slightly from the prior quarter in response to rising interest rates. The \$9.8 million portfolio has unrealized mark to market losses in the fourth quarter of \$55,870 attributable to rising interest rates offset by the \$21,845 of realized return for a total return of \$-34,025 or -.347%. Other than average maturity, the portfolio is substantially unchanged with AA quality securities of which 80% were issued by the Federal Government, 19% were domestic based corporations and 1% is the CAMP money market fund. Questions and discussion related to strategy, risk of realized losses, and credit quality.

Investment Portfolio Cash Flow Analysis by Monique Spyke

A seven page meeting handout was presented stratifying the portfolio between long term and short term investments over the past five years. During the five year period between July 2010 and July 2015, the portfolio balance has fluctuated between approximately \$11 million and \$18 million and intra year balances fluctuating from a December low to a June high an average of 16%. Based on the analysis it appeared about \$3 million could be added to the long term portfolio. For short term cash requirements, PFM requests two to four weeks advance notice. Ms. Lin is studying Town based cash flows which she will present with a minimum balance requirement recommendation in the next few months. At December 31, 2015, the Town's balances are approximately \$16 million with \$3 million at Bank of America, \$3 million in LAIF and the balance managed by PFM.

continued

Pension Prepayment Investment Opportunities – telephone presentation

Ms. Spyke introduced Ellen Clark with PFM who presented by telephone an eleven page meeting handout describing PFM's new Supplemental Pension Trust product. The FIC expressed interest in this subject when CalPERS recently made it possible to prepay the Town's pension liability as part of changes arising from new accounting rules requiring unfunded pension liability balance sheet reporting. PFM is offering a managed equity investment fund using a significant amount of index funds. Past five year average annual returns have been in the six to seven percent range before deduction of PFM fees (greater of \$10,000 per year or 45 basis points on average invested funds.) Fund withdrawals may only be used for CalPERS pension plan costs. PFM also offers a more flexible Trust for OPEB plans similar to what the Town presently has with CalPERS. Ms. Lin will gather more information from PARS and CalPERS on its related products before the Committee further considers this subject.

Report on Council Activities of interest by Mayor Harpootlian

Mayor Harpootlian asked for suggestions on an initiative to provide a recurring source of funds restricted to addressing Town infrastructure projects such as private roads becoming public roads and undergrounding electrical lines. For example, Mr. Harpootlian said ideas mentioned are an Air BnB hotel tax and an incremental utility based tax often called a Utility User Tax or UUT. Mr. Harpootlian indicated that a previous survey showed that a 5% tax would pass, but a 10% tax may not. A 10% UUT is estimated to raise approximately \$1 million per year.

Report on Finance Department activities of interest by Pak Lin

Ms. Lin introduced Karen Huang, the town's new Finance Manager and presented the November 2015 CalPERS annual pension plan reports along with a summary of key figures. Based on the current 7.5% discount rate, as of June 30, 2014 the Town's unfunded pension liability declined to \$1,802, 406 and employer annual contributions to reduce this liability are expected to increase from \$106,657 to \$222,673 by 2021-22. Ms. Lin also described work to date on replacing the Bank of America as the town's bank and handed out a summary noting attributes of Wells Fargo and Bank of the West who currently appear to be the finalists. On site interviews, in depth analysis of products and references will be completed before a recommendation is presented to the Committee. In response to a question posed by the Committee in a prior meeting regarding changes to Tier 1 retiree health benefits, Ms. Lin cited the Town's employee handbook which addresses the matter. Ms. Lin reported that South San Francisco and Gilroy have announced plans to leave ABAG (the Town's insurance broker/provider) which is a concern because ABAG's administrative fees will have to be paid by a smaller base. The Town will consider its alternatives including using a new brokerage/provider arrangement. Work on a new permitting system and website improvements is proceeding. Finally, Ms Lin stated that the midyear financial update will be an analysis of budget to actual performance as opposed to a re budgeting process similar to last year. This presentation is expected to be available for review by the Committee at its next meeting.

Presentations from the Floor

None.

Proposed topics and dates for future meetings

The next FIC meeting date is Monday, February 1, 2016 at 4:30 pm. Topics will be new bank selection, the midyear financial update and pension prepayment trust opportunities. Other topics planned for future meetings are: Cash Flow Analysis; New procedures for permitting and license fees; Prepayment of OPEB and Pension liabilities; Financial policy and procedures review; and Review of FIC Monthly Project Summary Report.

Adjournment The meeting adjourned at 6:45 pm

Respectfully submitted by Roddy Sloss, Committee Secretary

