Town of Los Altos Hills – Finance and Investment Committee (FIC)
Draft Special Meeting Minutes – May 11, 2026

1. **Call to Order & Roll Call – 4:00 PM**

Members Present: Allan Epstein, Dominique Grau, Kjell Karlsson, Jeanne Seeley, Vatsal Sonecha, and Amy Young. Members Absent: Sean McGraw and Michele Raffin.

Associate Members: Present – Roddy Sloss. Absent – Jim Lai and Frank Lloyd.

Council Present: Mayor Rajiv Bhateja.

Staff Present: Cody Einfalt, Acting City Manager; Thomas Leung, Finance Director; Jay Bradford, Community Development Director; WooJae Kim, Public Works Director; Varsha Srinivasan, Management Analyst (Finance); Behrouz Amirbadvy, Management Analyst (Planning).

Guests Present: None. Public Present: None.

Longtime member and now associate member Roddy Sloss informed the Committee that he was resigning. The Committee thanked Roddy for his over 18 years of service as a member, frequent Chair, and Secretary. Mr. Epstein asked for a volunteer to serve as Secretary; no one volunteered.

2. **Presentation from Floor** None.

3. **Review of Development Services Fee Study – Behrouz Amirbadvy, Management Analyst (Planning)**

Mr. Amirbadvy provided a presentation on proposed fee changes expected to increase annual fee revenue by approximately $2 million, bringing the total to about $3.4 million across the Building, Planning, and Engineering divisions. The new system aims for 99 percent cost recovery. Proposed changes included removal of redundant fees, introduction of new state-driven fees, and transitioning away from the current deposit-based system to improve transparency and reduce administrative burden.

A new tiered fee structure was proposed based on building valuation using a multiplier of 2.25, resulting in a $394 per square foot valuation. A new plan-check administrative fee and a potential 3.5 percent credit card transaction fee were discussed, along with elimination of certain utility deposits.

The Committee discussed proportionality of fees, impacts on small versus large projects, ADU fee policy conflicts, and the need for cross-city comparability. Committee members requested further evaluation of fee proportionality relative to actual staff time spent on different project types. Engineering will have its own dedicated fee schedule rather than sharing fees through the Building division.

Due to anticipated late-year approval, the Committee suggested considering implementation after July 1 to provide reasonable notice to residents and to evaluate the cost-recovery impact of a delayed start. Committee members expressed general support for the direction of the fee study, with requests for additional validation of the model and implementation timeline.

4. **Draft FY 2027 Budget Presentation – Finance Director Leung**

Director Leung provided an overview of changes since the May 4 meeting. The General Fund operating surplus before transfers has increased to $722,000 due to pass-through revenue recognition and personnel expense reductions. Capital expenditure schedules will be revised to correct errors in how capital projects were represented.

Committee discussion included the sheriff's contract and public safety, personnel expense increases including merit and COLA adjustments, and capital plans. Staff will adjust the final budget based on Council decisions regarding fee recovery rates and implementation timing. Staff will provide a page summarizing the changes.

5. **Review of Draft Ordinance – Updated Bidding Thresholds under CUPCCAA – Public Works Director Kim**

Director Kim reported that state law increased bidding thresholds for public works projects. Town Counsel prepared a conforming ordinance for consideration. Staff expressed no strong preference for adopting the higher thresholds. After discussion, the Committee and staff agreed to maintain the Town's current bidding thresholds.

6. **Report on Finance Activities of Interest – Finance Director Leung**

Staff will provide final cost and future Rule 20A plans for the El Monte Underground Project in July. Excessive Building Fees- returned 114 permit fees, $981K of which $677K came from the General Fund and remainder came from CSG refund. The Purchasing Policy will be reviewed at the June FIC meeting. Bank reconciliation AI software is saving substantial staff time.

7. **Report on Recent Town Activities – Acting City Manager Einfalt**

Received proposal from five security companies. Committee formed to review. Thanked FIC subcommittee for help with WWB Concessionaire contract renewal.

8. **Report on Recent Council Activities – Mayor Bhateja**

Council will consider placing the Green Sheet initiative on the November ballot. Council intends to appoint Acting City Manager Einfalt as City Manager.

9. **Next FIC Meeting**

The next meeting will be held on May 15, 2026, at 10:00 AM as a Joint Council–FIC FY 2027 Budget Meeting. A new budget document will be published on Wednesday with change notices.

10. **Topics for Future Meetings**

June 1, 2026 – Final Review FY'27 Budget; Purchasing Policy Review; OPEB review, if needed; User Fee implementation plan with assurance that concerns raised are addressed. Mr. Amirbadvy to prepare list of concerns.

11. Adjournment

The meeting adjourned at 7:10 PM.

12. **Meeting Recording, Agenda, and Attachments**

Recording: https://losaltoshillsca.portal.civicclerk.com/event/4529/media

Agenda & Files: https://losaltoshillsca.portal.civicclerk.com/event/4529/files/agenda/8872

Respectfully submitted, Allan Epstein, Acting Secretary