



FINANCE COMMITTEE ACTION MINUTES

Regular Meeting
May 05, 2020

The Finance Committee of the City of Palo Alto met on this date in the Community Meeting Room at 7:01 P.M.

Present: Kniss, DuBois, Tanaka (Chair)

Absent:

Chair Tanaka

Agenda Items

1. Discussion of June 30, 2019 Actuarial Valuation of Palo Alto's Retiree Healthcare Plan and Annual Actuarially Determined Contributions (ADC) for Fiscal Years 2021 and 2022.

MOTION: Council Member Kniss moved, seconded by Vice Mayor DuBois to recommend the City Council review and accept the June 30, 2019 Actuarial Valuation of Palo Alto's Retiree Healthcare Plan, recommend a 6.25 percent discount rate to be used in the calculation of the Actuarial Determined Contribution (ADC) and approve full funding of the annual ADC for Fiscal Year (FY) 2021 and FY 2022.

MOTION PASSED: 3-0

2. Discussion of Proposed Fiscal Year 2020-21 Community Development Block Grant (CDBG) Funding Allocation; Draft 2020-25 Consolidated Plan; and Draft 2020-21 Annual Action Plan.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kniss to recommend the City Council take the following actions:

1. Allocate Community Development Block Grant (CDBG) funding as recommended in the draft 2020-2021 Action Plan (Attachment A) and as described in this Report;
2. Authorize the City Manager to execute the Fiscal Year 2020-2021 CDBG application and Fiscal Year 2020-2021 Action Plan for CDBG funds, any

ACTION MINUTES

other necessary documents concerning the application and to otherwise bind the City with respect to the applications and commitment of funds;

3. Authorize Staff to submit the 2020-2021 Action Plan (Attachment B) to Housing and Urban Development (HUD) by the extended deadline of August 16, 2020; and
4. Authorize Staff to submit the 2020-2025 Consolidated Plan (Attachment B) to HUD by the extended deadline of August 16, 2020.

MOTION PASSED: 3-0

3. Staff and the Utilities Advisory Commission Request the Finance Committee Recommend the City Council Adopt a Resolution Approving the Fiscal Year 2021 Electric Financial Plan and Reserve Transfers, Amending the Electric Utility Reserve Management Practices, and Increasing Electric Rates by two Percent Overall by Amending the E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, E-14, E-NSE and E-EEC Rate Schedules.

MOTION: Chair Tanaka moved, seconded by Council Member Kniss to recommend the City Council approve the Electric Utility Financial Plan with the following conditions:

1. Adopt a zero percent increase effective July 1, 2020;
2. Approve the Fiscal Year (FY) 2021 Electric Utility Financial Plan;
3. Amend the Electric Utility Reserves Management Practices;
4. Approve the following transfers:
 - a. Up to \$5 million from the Supply Operations Reserve to the Electric Special Projects Reserve in FY 2020;
 - b. Up to \$4 million from the Supply Operations Reserve to the Hydro Stabilization Reserve in FY 2020;
 - c. Up to \$7 million from the Distribution Operations Reserve to the CIP Reserve; and
 - d. Transfer \$3.74 million from the Supply Operations Reserve to the LCFS Reserve.

MOTION PASSED: 2-1 DuBois No

ACTION MINUTES

4. Staff and the Utilities Advisory Commission Recommend the Finance Committee Recommend the City Council Adopt a Resolution Approving the Fiscal Year 2021 Gas Utility Financial Plan, Including Proposed Transfers and an Amendment to the Gas Utility Reserve Management Practices, and Increasing Gas Rates by Amending Rate Schedules G-1 (Residential Gas Service), G-2 (Residential Master-metered and Commercial Gas Service), G-3 (Large Commercial Gas Service), and G-10 (Compressed Natural Gas Service).

MOTION: Council Member Kniss moved, seconded by Vice Mayor DuBois to recommend the City Council agree to a three percent rate increase to the Gas Utility Financial Plan (with a five percent Distribution Rate increase.)

MOTION PASSED: 2-1 Tanaka No

Adjournment: The meeting was adjourned at 9:38 P.M.