



FINANCIAL COMMISSION MEETING MINUTES

5:30 P.M., November 15, 2010

The Neutra House
181 Hillview Ave, Los Altos, California 94022

Call to Order

The meeting was called to order at 5:35 P.M.

Roll Call

Commission members present: Chair Kevin Thompson, Vice Chair Al Hubbard, David Byrne, John Dixon, Donald Korn, Paul Van Buren, Frank Emery

Commission members absent: None

Staff Present: Russell Morreale, Staff Liaison

Pledge of Allegiance

The pledge was called for by Chair Thompson

Public Comment

None

Consent Items:

1. Commission Minutes

The minutes of October 20th were approved with some minor edits with a motion by Commissioner Byrne and a second by Commissioner Korn

Discussion

2. Comments & reflections on October 20th Pension Reform Presentation

The Finance Commission unanimously agreed that hosting guest speaker, John B. Shoven PhD, was a special treat providing invaluable insight into the social and economic factors that weigh into the pension issues that both business and government agencies currently face. His presentation highlighted the current national sentiment calling for a need for pension reform and provided a macro perspective as the commission begins its evaluation of PERS options during the course of this year.

Commissioner Korn provided the attached NBER listing of Publications by Mr. Shoven as attached to these minutes for the general benefit of the audience.

3. Investment Portfolio Update

Liaison Morreale summarized the investment update discussion given at the Los Altos City Council Study session of October 26th. Morreale provided a summary of the discussions and the presentation materials attached to these minutes. Vice Chair Hubbard also added some comments on the discussions made at the City Council study session.

4. Review of Commission Goals

Liaison Morreale provided the Financial Commission with the 2011 goals provided to City Council at the regular City Council meeting of November 9th. These are attached to the minutes.

5. Commission Logistics:

Liaison Morreale updated the Financial Commission that City Council had updated the commission handbook resulting in a term extension designed to stagger scheduled member term expiration dates. Commissioner Byrne's term date was randomly selected for extension to 2014.

6. City's Debt Capacity – discuss developing an approach

Chair Thompson prompted a discussion on how best to structure an approach to evaluating the City's debt capacity. Thompson specifically asked for thoughts on the pros and cons of forming a subcommittee or handling the discussion at the full commission level. Most agreed that it would be beneficial to have Liaison Morreale coordinate an introductory discussion of the Bond/Financing process at our next meeting as a basis for that decision. Chair Thompson concurred and asked Morreale to place this item again on the next agenda in deciding the structure of the evaluation team – specifically taking a full commission VS subcommittee approach.

Commission Reports:

None

Adjournment

The meeting was adjourned per general agreement at 7 P.M. per Commissioner Van Buren's motion and a second from Commissioner Dixon

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission

NBER Publications

Investment Update to City Council 10-26-10

Commission Goals for 2011 per November 9, 2010 Council Meeting