



**FINANCIAL COMMISSION
MEETING MINUTES**

**5:30 P.M., January 19, 2011
Redwood Room Los Altos City Hall
One North San Antonio Road Los Altos, California**

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

No Pledge was called for at this meeting

Public Comment

A member of the public, Mr. Madea, spoke to the commission expressing his interest in the presentation of the annual financial report for June 30, 2010 – a topic of discussion on this agenda. Mr. Madea informed the group that he was a former City of Los Altos Financial Commission member and has had a long standing interest in the City's financial presentations and matters.

Consent Items:

None

Discussion

1. Review of June 30, 2010 Comprehensive Annual Financial Report (CAFR)
 - a. Review of the Final Draft of the June 30, 2010 CAFR

Liaison Morreale, noting the attendance and availability of Caporicci & Larson audit Partner Ahmed Badawi, delivered and presented the Comprehensive Annual Financial Report (CAFR) for June 30, 2010. Morreale provided summary of the CAFR indicating that the presentation at this meeting was a follow up to the preliminary discussion held with the Financial Commission in December 2010. Morreale advised that no substantive changes had taken place since the preliminary discussion although the Commission now had the benefit of the full document as a basis for additional queries. In a nutshell Morreale advised that the CAFR again resulted in an unqualified, or clean opinion, and the City ended the year with favorable operating results – a surplus of \$2.5 million in the General Fund. Department operational expenditures came in 5% under budget overall while revenue exceeded expectations. Note disclosures of worthy mention include the continued funding of OPEB liabilities, the investments made in capital assets, and the prior period adjustment to properly reclassify the long existing Raymundo & Avalon as non-city debt balances.

A number of questions were received by Morreale and Partner Badawi from both Commissioners and members of the public. Mr. Madea expressed his continued interest in ensuring that utility funds, in particular the Sewer Fund, are properly charging City operations for their fair share of services received. Liaison Morreale advised that this was the case as the City's operating funds are billed for services rendered as part of the annual billing process.

Vice Chair Hubbard motioned to forward the CAFR for presentation to City Council with a second by commissioner Korn and acceptance by all Commission members.

Commission Reports:

None

All Commissioners agreed to set the next meeting for the 23rd at 5:30PM given the February 21st holiday schedule.

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