



**FINANCIAL COMMISSION
MEETING MINUTES**

**5:30 P.M., July 18, 2011
Neutra House
181 Hillview Avenue Los Altos, California**

Call to Order

The meeting was called to order at 5:37 P.M.

Roll Call

Commissioners present: Chair Kevin Thompson, John Dixon, Frank Emery
Donald Korn, Al Hubbard and Paul Van Buren

Commissioners absent: Vice Chair David Bryne, with prior notice

Staff Present: Russell Morreale, Staff Liaison

Pledge of Allegiance

Chair Thompson called for the Pledge to the Flag

Public Comment

None

Consent Items:

1. Commission Minutes

The minutes of June 20, 2011 were reviewed with a request by Chair Thompson that the attendance record be corrected to reflect his absence at that meeting. Commissioner Emery motioned to approve the minutes with the correction with a second from Commissioner Korn. The motion was passed by all in attendance.

Discussion

2. Financial Policy Update Status Report

Liaison Morreale presented a high-level review of financial policy update submitted as part of the budget adoption process. The policy has been updated to reflect the requirements of GASB 54 with an emphasis on fund definitions and fund balance classifications. The group generally discussed the policy at hand.

3. City Debt Capacity Analysis

Chair Thompson provided an update on the special project status indicating that the committee is still in progress and will be meeting in the near future on the matter. The group generally agreed that taking a high-level approach would be a preferred methodology and discussed the nature of short term VS long term interest rates in the model.

4. Review of other Special Projects & 2011 Goals

The Committee reaffirmed special project priorities as (1) Debt Capacity (2) PERS Options (3) Fire contract. The group also indicated that the review of the year end audit and the review of the selection, or extension, of auditors should also be on the work plan for FY10-11.

Chair Thompson recommended that a subcommittee be formed to discuss/plan the PERS project. In the interim the group agreed to assign Commissioner Korn to consider and develop a plan of attack for this project and bring his findings back at a future meeting. All concurred.

Chair Thompson also suggested that Commissioner Dixon look into the matter of the Fire contract, head the Fire services study and bring back an approach.

5. Investment Portfolio Update

Liaison Morreale provided the group with some current market trend materials and provided a brief investment update indicating he would invite PFM to the next meeting for a quarter-end review.

Commission Reports:

None

Adjournment

The meeting was adjourned with a motion from Commissioner Emery and a second from Commissioner Korn. All agreed and the meeting adjourned at agreement at approximately 7:15PM.

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission