



**FINANCIAL COMMISSION  
MEETING MINUTES**

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**5:30 P.M., November 21, 2011  
Neutra House  
181 Hillview Avenue Los Altos, California**

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**Call to Order**

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

**Roll Call**

**Commissioners present:** Chair Kevin Thompson, Vice Chair David Byrne, John Dixon, Frank Emery, Donald Korn and Paul Van Buren

**Commissioners absent:** Al Hubbard Absent with 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

Approval of the minutes of October 17<sup>th</sup> was deferred as the proper dated file was not available via email transmission. A motion for approval to defer was made by Commissioner Emery with a second from Commissioner Bryne. The motion was passed unanimously.

**Discussion**

2. Investment Portfolio Review

PFM investment advisor, Carlos Oblites, presented the City's investment portfolio through the third quarter 2011 as a precursor to a quarterly report to City Council. The report was received with a question and answer session included. It indicated continued compliance with City policy and approach and underscored the paced approach being taken at this time of historic low yield rates. The City continues to build investment diversity as LAIF holdings move towards 50% or less. The Committee indicated their desire to continue benchmarking performance and defining comparative metrics.

### 3. Update on CALPERS Conference

Commissioner Korn provided a report on his observations and information garnered at the annual CalPERS conference that he and Liaison Morreale attended in Long Beach California. He reflected on a very informative and fact-filled conference and shared several key findings including (1) learning that withdrawal from the CalPERS pension plan, although subject to much study and analysis, is in fact a contractual possibility (2) hearing and meeting directly from the head actuaries about future trends and prospects of new GASB rules and (3) gathering information on employee vested rights, in both the pension and health-care arenas. The Committee asked that Commissioner Korn and Liaison Morreale work together getting Council approval to request a formal valuation from CalPERS defining the cost of plan-withdrawal or plan buy-out. The Committee indicated that this information would be important in completing its assigned task of assessing "Pension Plan Options". Liaison Morreale indicated that he would work with Commissioner Korn in this request and reach out to the City's representative actuary as well.

### 4. Debt Capacity Analysis Update

Chair Thompson provided a status report to the Committee indicating that a draft was in motion and under review with a plan to complete and present the analysis to the Committee within the next few weeks.

### **Commission Reports:**

None

### **Adjournment**

The meeting was adjourned with unanimous consent at approximately 7:11PM.

Respectfully Submitted,

Russell J. Morreale  
Staff Liaison to the Financial Commission