



**FINANCIAL COMMISSION
REGULAR MEETING MINUTES**

**5:30 P.M., Monday June 18, 2012
Neutra House
181 Hillview Avenue Los Altos, California**

Call to Order

The meeting was called to order at 5:30 P.M.

Roll Call

Commissioners present: Chair David Byrne, Vice Chair Donald Korn, Robin Dickson, Harold Guthart, Les Poltrack

Commissioners absent: Kevin Thompson and Roger Sievers with notice

Staff Present: Russell Morreale, Staff Liaison

Pledge of Allegiance

The Pledge to the Flag was conducted

Public Comment

None

Consent Items

1. Approval of Minutes

With a first motion from Commissioner Guthart and a second from Commissioner Poltrack, the minutes of May 21, 2012 were approved, with minor corrections, with approval from all present.

Discussion

2. Auditor Selection Update

Liaison Morreale provided the Financial Commission with an update on the Council action to approve the new audit form of Burr Pilger Mayer (BPM) as recommended by the Commission at a prior meeting. Morreale advised that the recommendation was well received and that staff is currently in the process of finalizing the contract and staging a formal audit kick-off meeting. The auditors will be starting in July to be followed by October field work.

3. 2012-2103 Budget & CIP Update

Liaison Morreale provided the Commissioners with an update on the budget process to date and the expectations for the final FY2012-2013 Operating budget and Capital Improvement Plan (CIP). Morreale provided draft materials scheduled for Council on June 26th for adoption noting that

changes made to the draft proposed budget and CIP mostly involved the shifting of CIP priorities. As reported previously, the Council has essentially remained true to the original adopted 2011-2013 biennial budget plan. Morreale reviewed the Council presentation made at the budget study session of June 12, 2012 and the anticipated presentation for the June 26th meeting

4. Annual Investment Policy & Financial Policy

Liaison Morreale provided the Commissioners with drafts, with red-lined proposed changes, of the annual investment and fiscal policies for discussion, review and recommended approval to the City Council. Morreale advised that he is bringing these forth at this time to set a precedent of scheduling the Council approval of these two guiding documents with the budget and CIP adoption. In this way these documents can closely follow the related financial actions taken at the budget and CIP adoption in June of each year and closely track those important discussions.

The Commission accepted public comment and discussed the proposed changes as review by Liaison Morreale.

Financial Policy

A member of the public prompted the Commission to consider placing policy limits on the dollar value of inter-fund transfers (between departments/programs) that could be approved at the City Manager level noting that the current policy restricts intra-fund (between distinct funds) transfers only. The Commission indicated that this position could be considered in future meeting discussions although no change was proposed for the 2013 policy. Vice Chair Korn motioned the recommended approval of the Financial Policy to City Council with a second from Chair Byrne. This was approved by all present.

Investment Policy

After some discussion, Commissioner Guthart motioned for approval of the Investment Policy to City Council with a second from Commissioner Poltrack. This was approved by all present.

Commission Reports:

None

Adjournment

The meeting was adjourned at approximately 7PM.

Respectfully Submitted,
Russell J. Morreale
Staff Liaison to the Financial Commission