



**FINANCIAL COMMISSION
MEETING MINUTES**

**5:30 P.M., June 20, 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: Vice Chair David Byrne (via teleconference), Donald Korn, John Dixon and Frank Emery

Commissioners absent: Chair Kevin Thompson, with prior notice
Al Hubbard, with prior notice
Paul Van Buren, 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:

The minutes of May 16, 2011 were reviewed with a request by Commissioner Korn that the term commissioner rather than the term member be used in all references to commissioners. Commissioner Korn motioned to approve the minutes with the correction with a second from Commissioner Dixon. The motion was passed by all in attendance.

Discussion

1. City Budget & CIP High Level Review

Liaison Morreale presented a high-level review of the adopted budget as presented to City Council previewing key elements of the proposed budget presentation to City Council and discussing the actions to be taken at the June 28th adoption.

2. Investment portfolio Update

Liaison Morreale provided the Commission with a portfolio update as of June 20th 2011 indicating that positions have remained unchanged since the last meeting given historic low yield opportunities in the market.

3. Financial Policy Update

In preparation for the June 28, 2011 budget adoption, Liaison Morreale presented a draft update to the City's Financial Policy. Morreale advised that the proposed changes were being brought forward to comply with new GAAP requirements as set forth by GASB54 (Government Accounting Standards Board 54 - "Fund Balance Reporting and Governmental Fund Type Definitions". After discussion and review, Commissioner Dixon motioned to approve the proposed Financial Policy with a second from Commissioner Bryne. The motion passed unanimously.

4. Debt Capacity Analysis

Liaison Morreale provided the group with supporting materials for this project –namely bond rating criteria materials as requested by the Commission and provided by Financial Advisor Craig Hill. Chair Thompson advised that the group continued to meet on the matter. Liaison Morreale advised that, given recent decisions to defer a potential bond election to mid to late 2012, the deliverable date on this project was relaxed. That being said all agreed to continue on with a goal to complete the project within the near term

Commission Reports:

None

Adjournment

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

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission