



**FINANCIAL COMMISSION
MEETING MINUTES**

**5:30 P.M., March 29, 2011
Neutra House
181 Hillview Avenue Los Altos, California**

Call to Order

The meeting was called to order at 5:00 P.M.

Roll Call

Commission members present: Chair Kevin Thompson, Vice Chair Al Hubbard, David Byrne, Donald Korn, Paul Van Buren, Frank Emery

Commission members absent: John Dixon, 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:

None

Discussion

1. Investment Portfolio Update

Liaison Morreale discussed the status of the Portfolio presenting the most current investment ladder and holdings. Morreale informed all that purchases have been paced given the unattractive nature of the yield curve although funds had been reinvested and purchases of corporate notes were entered into for the first time. As of the end of February 2011, the investment portfolio amounted to \$43 million with \$11.7 million invested outside of LAIF. Ladder investments are generally short term not exceeding 2013 maturities. Commissioners discussed the portfolio and expressed a general interest to reduce the level of LAIF holdings over time but to do so in a prudent manner. Morreale informed the group that additional purchases are planned in the short term to take advantage a steepening yield curve although staff still advised remaining relatively short in duration.

2. City Debt Capacity Special Project

Liaison Morreale invited the City's financial advisor, Craig Hill to present an overview of the various debt-financing instruments open to and used by local government entities. Following that presentation Morreale covered a multi-year debt analysis model developed after comments received at the prior meeting. All agreed to cover the model in detail at the next meeting as a basis for making final adjustments and developing a data set for the Commission's findings and recommendations.

3. Planning for the Joint City Council Meeting

Chair Thompson reviewed the forward looking goals with the group in preparing for the meeting with the City Council this same evening.

4. Financial Commission Reorganization

Liaison Morreale advised that this was the time of year to recommend and elect a Commission Chair and Vice Chair. In so far as Vice Chair Hubbard previously informed the group of his desire to not assume the role of Chair given previous establishments obligations, Commissioner Van Buren motioned that Kevin Thompson be again voted into a second term as Chair with a second by Commissioner – all agreed unanimously. Commissioner Hubbard motioned to elect David Byrne as Vice Chair with a second from Chair Thompson and unanimous agreement from all members present.

Commission Reports:

None

Adjournment

The meeting was adjourned per general agreement at approximately 6:20 P.M. per general concurrence.

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission