



FINANCIAL COMMISSION MEETING MINUTES

5:30 P.M., November 23, 2009

The Neutra House
181 Hillview Ave, Los Altos, California 94022

Call to Order

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

Roll Call

Commission members present: Chairperson Frank Emery, Vice-Chairperson Kevin Thompson, David Byrne, John Dixon, Alan Hubbard, Donald Korn,

Commission members absent: Paul Van Buren (Excused)

Staff Present: Russell Morreale, Staff Liaison

Pledge of Allegiance

The pledge to the Flag was called for by Chair Emery

Public Comment

None

Consent Items:

- Minutes of October 19 2009 were approved unanimously without exception

- **Discussion**

1. Investment Advisory Services Update

Vice Chair Thompson provided the full Commission with a summary of the events of the Council meeting of November 10th. Thompson reported that the staff report recommending the selection of PFM for investment advisory services was accepted on consent. The agenda report item was pulled by Councilmember Carpenter at which time she took the opportunity to congratulate the full commission for a job well done in making the recommendation and thanked them for the good work put into the process. After her acknowledgement, the recommendation was accepted unanimously by City Council.

2. Next Steps

Liaison Morreale introduced Carlos Oblites of PFM to assist in the discussion of the “next steps” involved in the implementation of investment advisory services. These action steps included:

- Draft and Execution of the Service Contract – Liaison Morreale and Oblites spoke to this item indicating that a draft contract had been presented and commented on by the City and was close to finalization. Liaison Morreale indicated that the City and PFM had worked out certain key elements of the contract including: an open ended term, contract reference and inclusion of the representations made within the RFP response, operation on a non-discretionary basis (with the understanding that any future change to discretionary would require a contract amendment), a condition that would require obtaining no less than three bids on any purchase wherever feasible and with notification, specific reference to the City’s investment policy, holding PFM responsible for all travel and lodging costs in the delivery of service, and inclusion of City insurance requirements.
- A Review of the City’s investment Policy
- An analysis of the City’s cash flow patterns and needs
- A discussion and determination of appropriate benchmarks and risk tolerance
- Setting up periodic quarterly review sessions after the initial implementation phase

The commission indicated that holding these discussions at the full commission level was appropriate.

3. Work Plan Update –Rescheduling an earlier December meeting

Liaison Morreale requested that the Commission consider rescheduling the next meeting for an earlier December date to allow for a review of the draft CAFR which is near completion. All agreed on a December 15th date and the meeting was set accordingly.

Commission Reports:

None

Adjournment

All agreed and the meeting adjourned at 6:30 P.M.

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission

