



Tuesday, January 16, 2007

5:30 P.M. – REGULAR CITIZEN'S FINANCIAL ADVISORY COMMITTEE (CFAC)  
AGENDA  
Hillview Room 2  
97 Hillview Avenue, Los Altos, California

**Roll Call** Members Donald Korn, Chairperson, Paul Van Buren, Jay Cohan, Frank Emery, Joseph Nemeth, Ellen Saliba, Vice-Chair, Kevin Thompson and Council members Ron Packard and Val Carpenter.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Members of the audience may bring to the Committee's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the staff. Speakers are generally given two or three minutes, at the discretion of the Chair. State law prohibits the Committee from acting on items that do not appear on the agenda.

DISCUSSION ITEMS

1. Minutes

Approval of minutes –Regular Meeting of October 16, 2006

2. Presentation of the 2005-2006 Comprehensive Annual Financial Report (CAFR).

The firm of Vavrinek, Trine, Day & Co. Inc (VTD) performed the annual independent audit and prepared the CAFR. AJ Major, a VTD partner, will attend the CFAC meeting to present an overview of the audit work. A copy of the CAFR is provided as Attachment 2 in the packet. VTD had no significant findings, so they do not anticipate issuing a management letter. Attachment 3 is a disclosure letter that overviews responsibilities and significant accounting policies.

**Recommendation:** Motion to recommend acceptance of the CAFR to City Council.

3. Extension of Audit Contract

Vavrinek, Trine, Day & Co. Inc (VTD) is completing the third year of performing the independent audit of the City's financial statements. VTD's proposal provides for up to a two-year extension. Staff is currently in the process of selecting a new financial system to replacement the system installed in 1992-93. We anticipate that once a system is selected that the timing of the implementation will require approximately eighteen months. To ensure a smooth transition, staff recommends extending the contract for two years.

**Recommendation:** Recommend a two-year extension on the audit contract to City Council.

4. **Election of Committee Chair and Vice-Chair.**

The CFAC Charge calls for the election of a chair and vice-chair at the first meeting of the year.

**Recommendation:** Nominations and election of Chair and Vice-Chair.

5. **Preliminary Annual Work Plan**

Staff has composed a preliminary work plan based on the 2006 calendar. The purpose of this item is to provide members an opportunity to discuss the different work assignments to add or subtract as desired. Once completed the plan will be submitted to the City Council.

**Recommendation:** Review draft work plan and revise as desired.

**COMMITTEE REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS**

**ADJOURNMENT**

**\*Action on these items is required at this meeting.**

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk 72 hours prior to the meeting at (650) 947-2720. A sound enhancement system is available. You may check out headsets, which boost the public address signal during the meeting. Please ask for assistance at the staff's desk PRIOR to the start of the meeting or during a break in the meeting.

Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

**Attachments:**

- Attachment 1      October 16, 2006 Minutes
- Attachment 2:     CAFR for fiscal year 2005-06
- Attachment 3:     Disclosure Letter
- Attachment 4      Memo on Audit Extension
- Attachment 5:     Preliminary Annual Work Plan and Calendar for 2007