



**FINANCIAL COMMISSION  
MEETING MINUTES**

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**5:30 P.M., September 22, 2008**  
**Hillview Community Center, Room 2**  
97 Hillview Avenue, Los Altos, California 94022

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**Call to Order**

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

**Roll Call**

**Commission members Present:** David Byrne, Chair Frank Emery, Alan Hubbard,  
Donald Korn, Vice-Chair Kevin Thompson and Paul  
Van Buren,  
**Commission members Absent:** John Dixon  
**Staff Present:** Russell Morreale, Starla Jerome-Robinson

**Pledge of Allegiance**

**Public Comment**

No public comments were received.

**Discussion**

1. **Introduction of Finance Director Russell Morreale**  
Jerome-Robinson introduced new Finance Director Russell Morreale.
2. **Minutes**  
  
Korn moved adoption of the minutes as provided. Hubbard seconded the motion, which passed unanimously
3. **Special Project: Update on Considering the use of an Investment Advisor**  
  
Kevin Thompson reported on the subcommittee's work to date which includes reviewing Investment Advisor Requests for Proposal (RFP) prepared by other agencies. Once reviewed, the subcommittee prepared a draft proposal, based on the most appropriate

elements of each of the RFP's. Discussion followed regarding the suggestion of issuing a Request for Information instead of an RFP.

The option of using a broker dealer instead of an Investment Adviser or using a combination of the two services was also discussed. The merit of the services provided by each type of consultant was discussed. By consensus, it was agreed that each option will continue to be considered.

Staff will prepare the proposed Request for Information or RFP based on the input of the subcommittee, as well as prepare a list of firms qualified to provide the services.

In conclusion there was discussion regarding the intention of using the RFP or RFI responses as an evaluative tool to determine whether using an outside service would add value to the quality of investment services and reporting.

**4. Prepayment of Public Employee Retirement System (PERS) unfunded liability**

Staff presented information regarding the proposal that the City prepay either some portion or the entire side fund for the PERS pool. The current unfunded amount of the side fund is \$5.5 million. The City currently has a \$3 million PERS reserve as designated by the City Council. This \$3 million reserve could be used in part, in whole, or in addition to other funding to pay off the side fund.

This item is a proposed agenda item for the joint meeting with City Council on October 14. The Commission requested more written material regarding this item.

**5. Joint Meeting with City Council for October 14<sup>th</sup>**

The Commission reviewed the draft agenda and suggested changes to Items #3 and #4.

**6. Annual Work Plan**

The Commission reviewed the Annual Work Plan. The Commission updated the work plan to include a "premeeting" prior to the Joint Meeting with City Council on October 14, in lieu of their currently scheduled meeting on October 20. Staff noted that the Comprehensive Annual Financial Report will probably not be completed by the November 17<sup>th</sup> meeting.

**Adjournment**

Hubbard moved adjournment of the meeting, with a second from Van Buren. The motion passed unanimously. The meeting was adjourned at 6:45 P.M.

Respectfully Submitted,

Starla Jerome-Robinson  
Staff Liaison to the Financial Commission