



**FINANCIAL COMMISSION
MEETING MINUTES**

5:30 P.M., August 17, 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, Paul Van Buren

Commission members absent:

Staff Present: Russell Morreale, Staff Liaison, Tracy Kwok

Pledge of Allegiance

The pledge was called for by Chairperson Emery

Public Comment

No members of the public attended.

Consent Items:

- Minutes of July 20, 2009 were approved unanimously without exception as moved by Commissioner Thompson and seconded by Commissioner Byrne.

- **Discussion**

Informational Presentation – City Draft OPEB GASB 45 Actuarial Study (Taken out of order)

Staff Liaison, Morreale introduced City consultant Mr. John Bartel to provide an informational discussion of the draft GASB 45 actuarial study related to Other Post Employment Benefits (OPEB). Mr. Bartel delivered a discussion of the purpose and scope of the actuarial valuation, indicating that the study has been completed to assure the City's compliance with the requirements as set forth by Generally Accepted Accounting Principles. With the completion of this study, the City of Los Altos has met

its implementation deadline and will report the conclusions of the study as part of the financial disclosures within the FY 08-09 year end audit.

Mr. Bartel described the current City post retirement health benefits which result from its enrollment in the CalPERS health programs. At the current time the City offers the minimum level of benefit allowed for and, as such, enjoys a level of liability much less than those he has observed in other jurisdictions. Mr. Bartel presented the City's OPEB obligations and discussed the next steps that the City would consider in addressing the now known existing liabilities. These steps can be reviewed over the next several months and entail an analysis of the various funding options available to the City as well as the option of setting up a formal Trust agreement for OPEB funding.

The presentation was received with much interest and resulted in no action as it was informational only.

Update On Investment Advisor RFP

Staff Liaison, Morreale briefly discussed the Investment Advisor RFP update indicating that all items were on schedule and that the RFP had been issued with proposals due in at month end.

City & State Budget Update

Staff Liaison, Morreale briefly discussed the most recent developments of the State Budget indicating that it was now certain that the State will redirect Property Tax proceeds to the approximate value of \$1.1 million. On the other hand, it appears that Gas Tax has been preserved although such remittance payments remain deferred by six months. Morreale indicated that the City had planned well for this unwelcome event by setting aside an equal amount in reserve during the 09-10 budget process. Nonetheless, cost savings and diligent budget control remain the order of the day.

Review, Discussion & Prioritization Work Plan Items: (Continued From July 20, 2009)

In the interest of time, Chair Emery suggested that each member individually and confidentially email Mr. Emery with their Work Plan priority preferences for discussion and presentation at the next meeting. All concurred

Adjournment

The meeting was adjourned at 7:45 P.M.

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission