



FINANCIAL COMMISSION MEETING MINUTES

5:30 P.M., January 19, 2010

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

Call to Order

The meeting was called to order at 5:38 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: None

Staff Present: Russell Morreale, Staff Liaison
Tracy Kwok, Financial Services Manager

Pledge of Allegiance

The pledge to the flag was called for and held

Public Comment

None

Consent Items:

1. Minutes of December 15, 2009 were approved unanimously without exception

Discussion

2. Delivery of The Final Published Comprehensive Annual Financial Report (CAFR) For June 30, 2009

Liaison Morreale simply handed out the formal published June 30, 2009 City of Los Altos Comprehensive Annual Financial Report (CAFR) as a follow up to the discussion held at previous meetings. No discussion took place as this was entailed just the delivery of the document.

3. Investment Advisory Services

Draft 2009-2010 Investment Policy

Liaison Morreale and Carlos Oblites of PFM Asset Management, LLC (PFM) (pfm.com) presented the first draft of the proposed investment policy to start the review and discussion process. The document was covered in detail with a myriad of changes suggested by all members. In the process of going over the document, members concurred that the review process would take more time than allowed for in this meeting. All agreed to follow up with individual comments directly to Liaison Morreale so that he could compile a next iteration to be discussed at the next upcoming regular meeting. Commission members asked Liaison Morreale to email the latest email version, including changes resulting from comments provided at this meeting, in Microsoft Word format to all members to facilitate individual track-changes editing. All concurred and the approval of the investment policy was deferred to the next meeting.

Discussion of Next Steps

Liaison Morreale and Carlos Oblites, of PFM discussed the logical steps which would include – completion of the investment policy – the presentation of the cash flow analysis – discussion of risk tolerance and benchmarking – and implementation strategy. Cash flow and benchmarking would be presented at the next scheduled meeting.

4. Commission Chair & Vice Chair for 2010

- This discussion was deferred to the next meeting

5. Financial Commission Schedule of City Council Meeting Representatives for 2010

- This discussion was deferred to the next meeting

Commission Reports:

None

Adjournment

Commissioner Dixon moved adjournment and all agreed and the meeting adjourned at 7:45 P.M.

Respectfully Submitted,

Russell J. Morreale
Staff Liaison to the Financial Commission