

**TO:** Los Altos Financial Commission

**FROM:** Russell J. Morreale, Staff Liaison

**SUBJECT:** Commission Minutes

**RECOMMENDATION:**

Approve minutes of the November 18, 2013 regular meeting and the December 4, 2013 special meeting

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**DISCUSSION**

Attached are the draft action Financial Commission minutes for the above mentioned meetings for review and approval.

Attachments:

- A. Minutes for the Regular Meeting of November 18, 2013
- B. Minutes for the Special Meeting of December 4, 2013

Attachment A

Minutes for the Regular Meeting of November 18,  
2013



**FINANCIAL COMMISSION  
REGULAR MEETING MINUTES**

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**5:30 P.M., Monday, November 18, 2013  
Neutra House  
181 Hillview Avenue, Los Altos, California**

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**Call to Order**

The meeting was called to order at 5:35 P.M.

**Roll Call**

**Commissioners present:** Chair Donald Korn, Vice Chair Robin Dickson, David Byrne, Harold Guthart, Les Poltrack, and Kevin Thompson.

**Commissioners absent:** None

**Also Present:** Russell Morreale, Los Altos Finance Director and Staff Liaison  
Carlos Oblites, PFM Investment Management Firm

**Pledge of Allegiance**

The Pledge to the Flag was conducted

**Public Comment**

None

**Consent Items**

**1. Approval of Minutes**

With a first motion from Commissioner Guthart and a second from Commissioner Byrne, the minutes of August 19, September 9 and September 25 were approved, including clerical corrections, with unanimous agreement.

**Discussion**

**2. Pension Study Subcommittee Debrief**

Chair Korn provided a high level summary of the results of the pension study report to City Council of October 8, 2013. This important report, as commented on by Liaison Morreale, was positively received by the City Council with a unanimous sense of gratitude and praise for a job well done in this topic of key fiscal importance. Commissioner Guthart noted that the City should remain vigilant of its review of CalPERS methods and continue to influence CalPERS for both timely and comprehensive reporting

### 3. Investment Portfolio Update

Carlos Oblites of PFM presented the City's investment portfolio.

A member of the public, Mr. Jean Mordo, commented on the fact that Los Altos Hills utilized the firm of PFM over the past several years and did so using a model that afforded the firm full discretion on placing investments. Mr. Mordo asked the Commission to inquire into the suitability of such an option for Los Altos as it worked well, in his opinion, for the Hills.

After discussion and questions, the report was unanimously approved for Council delivery with a first motion from Commissioner Thompson and a second from Vice Chair Dickson

### 3. Comprehensive Annual Financial Report (CAFR) Update

Liaison Morreale advised that the City's annual financial report audit was proceeding and would be coming to the Commission in December – possibly requiring a special meeting date with an objective of presenting to City Council by year end if at all possible.

### **Commission Reports:**

None

### **Adjournment**

The meeting was adjourned at approximately 7:00 P.M. with a first motion by Commissioner Guthart and a second by Chair Korn.

Respectfully Submitted,  
Russell J. Morreale  
Staff Liaison to the Financial Commission

Attachment B  
Minutes for the Special Meeting of December 4, 2013



**FINANCIAL COMMISSION  
SPECIAL MEETING MINUTES**

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**5:30 P.M., Wednesday, December 4, 2013  
Los Altos Main Library, Community Room  
13 S. San Antonio Road, Los Altos, California**

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**Call to Order**

The meeting was called to order at 5:35 P.M.

**Roll Call**

**Commissioners present:** Chair Donald Korn, Vice Chair Robin Dickson, David Byrne, Harold Guthart, Les Poltrack, and Kevin Thompson.

**Commissioners absent:** None

**Also Present:** Russell Morreale, Los Altos Finance Director and Staff Liaison  
Jim Babcock, Burr, Pilger Mayor (BPM) audit partner

**Pledge of Allegiance**

The Pledge to the Flag was conducted

**Public Comment**

None

**Discussion**

**1. Draft June 30, 2013 Comprehensive Annual Financial Report**

Jim Babcock, audit partner of Burr, Pilger Mayor (BPM) and Liaison Morreale presented an overview of the draft June 30, 2013 Comprehensive Annual Financial Report as a basis for comments and questions. The report and audit process was covered both from an audit and operational perspective. Chair Korn pointed out a necessary modification to the draft audit letter, a required draft modification noted by Mr. Babcock, and commented on some disclosure note phrasings for consideration.

After discussion and questions, the report was unanimously approved for Council delivery with a first motion from Commissioner Thompson and a second from Commissioner Poltrack.

**Commission Reports:**

None

**Adjournment**

The meeting was adjourned at approximately 6:45 P.M. with a first motion by Commissioner Dickson and a second by Commissioner Byrd

Respectfully Submitted,  
Russell J. Morreale  
Staff Liaison to the Financial Commission