Hackmann, Richard

From: J.H. Olstad [olstadj5@yahoo.com]
Sent: Friday, January 14, 2011 2:49 PM
To: IBRC; raybac@earthlink.net; leland.levy@wfadvisors.com
Cc: Jim Olstad
Subject: Sub-committee suggestions update - 1/14/11

Ray/Le, per the 1/13/11 meeting discussion, the following thoughts for your continued deliberations:

Consistent with Brown issues, and my expressed bias for "Foundations" first, "Conclusions" second, I'd now encourage the formation of three (3) sub-committees initially;

1) Projects (i.e., "Uses") the distillation-and-prioritization of "Needs", "Wants" and "Interdependencies" of the Budget Spending Components,

2) Finance (i.e., "Sources") the availability-and-probability of current/future cash and capacities-for-debt and other operating-assets alternatives of the Budget Funding Components,

3) Comparisons (i.e., "Investigations") the research into Better Practices (both projects-and-finance processes and policies) of other communities (including workforce size per-capita per-assets per-other, unfunded pension costs, underfunded infrastructure, and the netting out our Utilities-unique elements, etc.) and the foundational "history-of-how-we-got-here" concerns of some commissioners as vigorously expressed last night,

then, after those predicate determinations are in place, re-formation into two (2) either sequential-or-additional sub-committees;

4) Report Writing (i.e., "Final Product") to speak for itself, and

5) Communication (i.e., "Public Outreach") to the extent that mission and/or obligation is also in the Commission's mandate.

As additional advance-warning, I think an integrated/consistent/adjustable Inflation Factor component needs to a foundational part of the Commission's considerations and the underlying financial budgeting analytics.

Such an analytic tool/component can't help but better-inform judgements (particularly the direct-or-hidden associated financing/funding costs.... or net effective savings) of "borrow/spend-now, pay-later" versus "spend-only-when-you-have" of the Capital Budget.

Last item, I thought the concentrated "Sources" presentation from staff was very helpful, and I'm looking forwarded to its "Uses" twin.

Best regards, Jim Olstad