

# **CITY OF SAN CLEMENTE**

## **Investment Advisory Committee Meeting**

### **Minutes – October 23, 2017**

A Regular Meeting of the City of San Clemente Investment Advisory Committee was called to order by City Treasurer, Mark Taylor, on October 23, 2017 at 5:30 p.m. in the Oceanview Conference Room at City Hall, 100 Avenida Presidio, San Clemente, California.

(1) **ROLL CALL**

**PRESENT: Investment Advisory Committee Members:**

Mark Taylor, Scott Mahl, \*Bill Blackwill Cathie D'Itri, Art Carter

\*Arrived at 5:40pm

**Staff:**

Erik Sund

Judi Vincent

**ABSENT:** Steve Swartz

**CHANDLER**

**REPRESENTATIVE:** Jayson Schmitt

**PUBLIC:** None

(2) **APPROVAL OF MINUTES**

Minutes from the July 24, 2017 meeting were approved. Motion was made to approve by Cathie D'Itri, seconded by Art Carter. Approved 4-0. (Blackwill absent)

(3) **APPROVE 1<sup>st</sup> QUARTER FY 2017-18 INVESTMENT REPORT**

The first quarter investment report was introduced by City Treasurer, Mark Taylor. Jayson Schmitt, Chandler Asset Management representative, reviewed the first quarter investment report with the committee and answered questions raised by committee members. City Treasurer, Mark Taylor presented additional information regarding the internally managed portfolio. Art Carter moved to approve the 1<sup>st</sup> Quarter FY 2017-18 Investment Report, seconded by Cathie D'Itri. Approved 5-0.

**(4) REVIEW 2018 PROPOSED INVESTMENT POLICY**

City Treasurer, Mark Taylor presented recommended changes to the City's Investment Policy, including a discussion of investing in Supranationals. The committee agree to recommend the following investment policy changes:

- Addition of Supranational Securities as an "authorized and suitable investment" (4.7.1.14), and limiting investments to 10%, and not to exceed 5% per issuer (4.10.1.1).
- Adding language at the end of 4.10.1.1 that limits investments to 5% in any issuer of securities other than with the US Government or its Agencies, a Money Market Mutual Fund, LAIF or unless otherwise specified in the Investment Policy.
- Specifying that a quorum will be constituted by three (3) voting members, rather than a simple majority of four (out of a total of six). Since the IAC meets only quarterly, this will allow business to be conducted more readily (5.5.1).

To recommend changes to the City's Investment Policy, as discussed motion made by Scott Mahl, seconded by Cathie D'Itri. Approved 5-0.

**(5) REVIEW THE INVESTMENT STRATEGY USED BY CHANDLER ASSET MANAGEMENT AND CONSIDER CHANGING TO A DIFFERENT STRATEGY OR USE A COMBINATION OF STRATEGIES**

Jayson Schmitt, Chandler Assets representative, presented a portfolio comparisons report and discussed different investment strategies available. The committee discussed possible options and the impacts of different investment strategies.

Motion made by Art Carter, seconded by Bill Blackwill. Approved 5-0 to accept Chandler analysis of alternative strategies, and request Chandler to return to the next Investment Advisory Committee with further information.

**(6) PUBLIC INPUT**

None.

**(7) ADJOURNMENT**

Motion was made by Cathie D'Itri seconded by Bill Blackwill, carried 5-0 to adjourn to a Regular Meeting to be held at 5:30 pm on January 22, 2018 in the Ocean View Conference Room at City Hall, 100 Avenida Presidio, San Clemente, California.



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Mark Taylor  
Chair-Investment Advisory Committee

Future Meeting Dates:

January 22, 2018

April 23, 2018

July 23, 2018