

CITY OF SAN CLEMENTE

Investment Advisory Committee Meeting

Minutes – November 26, 2018

A Regular Meeting of the City of San Clemente Investment Advisory Committee was called to order by City Treasurer, Mark Taylor, on November 26, 2018 at 5:30 p.m. in the Oceanview Conference Room at Council Chambers, 100 Avenida Presidio, San Clemente, California.

(1) **ROLL CALL**

PRESENT: **Investment Advisory Committee Members:**

Mark Taylor, Bill Blackwill, Art Carter, Cathie D'Itri

Staff:

Judi Vincent

ABSENT: Steve Swartz, Alan Sondag

CHANDLER

REPRESENTATIVE: Jayson Schmitt

PUBLIC: None.

(2) **APPROVAL OF MINUTES**

Minutes from the October 22, 2018 meeting were approved with the change to Item #4 to say "City Treasurer, Mark Taylor opened discussion with the committee about the transition into the new investment strategy. It was agreed that Chandler will use proceeds from securities as they mature and gradually implement the new strategy over time. Jason Schmitt from Chandler estimated it would take 6-9 months to implement the new strategy." Motion was made to approve by Art Carter seconded by Bill Blackwill. Approved 4-0 (Swartz, Sondag absent)

(3) **APPROVE BALANCE OF 1st QUARTER FY 2018-19 INVESTMENT REPORT**

The first quarter investment report was introduced by City Treasurer, Mark Taylor at the last Investment Advisory Committee Meeting City Treasurer. Mark Taylor presented additional information regarding the internally managed portfolio. Art Carter moved to approve the balance of the 1st Quarter FY 2018-19 Investment Report, seconded by Cathie D'Itri Approved 4-0 (Swartz, Sondag absent).

(4) **INVESTMENT POLICY REVIEW AND RECOMMEND CHANGES TO CITY COUNCIL**

City Treasurer, Mark Taylor presented recommended changes to the City's Investment Policy. The committee has recommended the following notable

changes, in addition to minor changes contained in the attached Investment Policy:

- 4.7.1.7 Allowing an external money manager to invest in corporate issues rated A or better, while continuing to restrict the City Treasurer to issues rated AA- or better for maturities greater than three years at the time of purchase.
- 4.7.4 No longer requiring the City to investigate the Local Agency Investment Fund (LAIF). LAIF is managed by the State Treasurer of California and is highly scrutinized by many institutions. Also, other pool investments will need to be investigated prior to investing and on an annual basis, rather than a continual basis.
- 4.10.1.1.2 The City may invest up to 60% (up from 50%) in LAIF and the Orange County Investment Pool (OCIP), but not to exceed \$65 million in LAIF and \$15 million in OCIP.
- 5.5.5.2 The City is no longer required to forward a copy of the Investment Policy to the California Debt and Investment Advisory Commissions per the State code.
Committee moved to recommend changes to the City's Investment Policy, motion made by Mark Taylor, seconded by Art Carter. Approved 4-0 (Swartz, Sondag absent).

(5) **PUBLIC INPUT**

None.

(6) **ADJOURNMENT**

Motion was made by Bill Blackwill seconded by Cathie D'Itri, carried 4-0 (Swartz, Sondag absent) to adjourn to a Regular Meeting to be held at 5:30 pm on January 28, 2019 in the Ocean View Conference Room at Council Chambers, 100 Avenida Presidio, San Clemente, California.



Mark Taylor
Chair-Investment Advisory Committee

Future Meeting Dates:

January 28, 2019

April 22, 2019