

Investment Review Committee
Thursday, August 2, 2018, 4:00 p.m. Acorn Room
Summary Notes

1. **Call to Order:** Regular meeting was called to order at 4:01 p.m.
2. **Roll Call:** Present: Chair John Short, Bill Berliner, Jim Hoagland, Mark Kroenke, and Richard Law
3. **Public Comments:** None
4. **Summary Notes:** May 3 Meeting - Information Only
5. **Action Items - Quarterly Investment Report for June 30, 2018** – The portfolio yield of 1.78 percent was 14 basis points below the twelve-month moving average of the two-year Constant Maturity Treasury Index (CMT) benchmark. A Pasadena Unified School District general obligation bond in the portfolio was downgraded to from Aa2 to Aa3 by Moody's. The bond is still in compliance with the policy and matures in November. City Council approved placing \$22.5 million in a Pension Rate Stabilization Trust Fund in July. In expectation of funding the trust fund, staff purchased \$6 million in commercial paper with a maturity of 270 days or less. All commercial paper is at least A-1/P-1 rated and no more than \$1 million is invested in any single issuer. The report was approved (5-0).
6. **Discussion/Input - Investment Policy First Draft Review** – There were no legislative changes affecting the policy. The policy has been amended to exclude funds in the Pension Rate Stabilization Trust Fund. Pension funds are not considered surplus funds subject to California Government Code (Code) Section 53601. Staff proposes making two changes to the approved investments. Pursuant to Code Section 53601(f), the policy has been amended to allow debt guaranteed by U.S. agencies and government sponsored enterprises in addition to U.S. agency and government sponsored enterprise debt. City Debt has been expanded to include debt authorized by Code Section 53601(e), debt issued by local agencies, as well as 53601(a), bonds issued by the local agency. The Committee recommended removing glossary terms not included in the policy.
7. **Finance Updates** – Staff provided an update on the City's commercial paper strategy and the CalPERS Fresh Start and Pension Rate Stabilization Trust Fund. Committee member Berliner summarized the Single Security Initiative. The application filing period will open in September. The terms of committee members Berliner and Hoagland are expiring.
8. **Closing Committee Comments:** None
9. **Adjournment:** The meeting adjourned at 5:45 p.m. to a Regular Meeting on Thursday, November 1, 2018, at 4:00 p.m.