

CITY OF SAN CLEMENTE

Investment Advisory Committee Minutes

Regular Meeting – January 23, 2012

A Regular Meeting of the City of San Clemente Investment Advisory Committee was called to order by City Treasurer, Pall Gudgeirsson, on January 23, 2012 at 5:00p.m. in the Oceanview Conference Room at City Hall, 100 Avenida Presidio, San Clemente, California.

(1) **ROLL CALL**

PRESENT: Investment Advisory Committee Members:

Pall Gudgeirsson, Bob Baker, Art Carter, Mark Taylor, Les Wells

Staff:

Sandee Chiswick

ABSENT: None

(2) **APPROVAL OF MINUTES**

Minutes of the November 14, 2011 meeting were approved. Motion was made to approve by Art Carter, seconded by Les Wells.

Approved 5-0.

(3) **INVESTMENT REPORT 2nd QUARTER 2011-12**

City Treasurer Gudgeirsson presented the 2nd Quarter investment report. Les Wells made a brief presentation on Federal Agency investments with the focus on FNMA's and FHLMC's and the implications of conservatorship and the recent comments made by Bank of America analysts. The recommendation is to continue to invest in all Agencies but also monitor them closely and track any rating changes by the major rating agencies. Also, maintain diversification for all Agency paper purchased. Mr. Wells also briefed the committee on CDARS, which is the purchase of CD's from a bank or broker which "consolidates" the purchase of CD's into larger increments (e.g. 5 CD's from 5 banks totaling \$1million). The benefits are higher interest rates but there is a question of "accountability". Discussion took place and Les Wells moved to approve the 2nd Quarter Investment Report, seconded by Mark Taylor. Approved 5-0. (Also see Fixed Income Research handout by Morgan Keegan).

(4) **PUBLIC INPUT**

None

(5) **ADJOURNMENT**

Motion was made by Bob Baker, seconded by Art Carter, carried 5-0 to adjourn to an Adjourned Regular Meeting to be held at 5pm on April 23, 2012 in the Ocean View Conference Room at City Hall, 100 Avenida Presidio, San Clemente, California.



Pall Gudgeirsson
Chair-Investment Advisory Committee

Future Meeting Dates:

April 23, 2012

July 23, 2012

October 22, 2012