

CITY OF SAN CLEMENTE

Investment Advisory Committee Minutes

Regular Meeting – January 29, 2024

A Regular Meeting of the City of San Clemente Investment Advisory Committee was called to order by City Treasurer, Charlie Smith, on January 29, 2024, at 5:32 p.m. in Conference Room A at City Hall, 910 Calle Negocio, San Clemente.

(1) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Art Carter

(2) **ROLL CALL**

PRESENT: **Investment Advisory Committee Members:**

Charlie Smith, Victor Cabral, Art Carter, Amanda Conley

Staff:

Andy Hall, Sandee Chiswick, Melissa Anderson

ABSENT: Jeff Willardson

CHANDLER

REPRESENTATIVES: Jayson Schmitt and Chris McCarry

PUBLIC: None

(3) **APPROVAL OF MINUTES**

Motion by Art Carter, seconded by Victor Cabral to approve the November 13, 2023 minutes. Approved 4-0.

(4) **APPROVE 2nd QUARTER FY 2023-24 INVESTMENT REPORT**

Jayson Schmitt introduced colleague, Chris McCarry, Senior Portfolio Strategist of Chandler Asset Management. They reviewed the second quarter investment report and responded to questions raised by committee members. Charlie Smith reviewed the City of San Clemente internally managed portfolio. He discussed his core philosophy; states he would like to possibly diversify away from LAIF. Art Carter asked if debt payments accelerated. Sandee Chiswick explained about cash projections percentages and timing of CalPERS payment. The committee expressed interest in exploring Section 115 Trust Accounts and would like a presentation put on the next agenda. Motion by Art Carter, seconded by Victor Cabral, to approve the 2nd Quarter FY 2023-24 Investment Report. Approved 4-0.

(5) **DISCUSSION ON BROKER/DEALERS – SECTION 4.6 OF THE INVESTMENT POLICY. BLANKET APPROVAL VS. FILING OF FORM**

City Treasurer, Charlie Smith recommended changes to the City’s Investment Policy Section 4.6. The current policy states the Investment Advisory Committee must first approve the establishment of a new broker dealer relationship. Then, secondly, have the new broker dealer fill out a form. Charlie would like to come up with a set form of criteria for automatic inclusion as a broker dealer relationship. A simple solution would be 1.) they’re included in the systematically important financial institutions (SIFI) 2.) have a minimum credit rating of possibly AA or better 3.) have a certain revenue or net worth. He would like to broaden the scope of people we can call upon. The committee asked questions and made suggestions. Jayson advised adding FINRA (Financial Industry Regulation Authority) to the policy process. No motion was sought to approve changes at this time. A Special Meeting date was set for February 5, 2024 to present changes in writing.

(6) **PUBLIC INPUT**

None

(7) **ADJOURNMENT**

Motion was made by Victor Cabral, seconded by Art Carter, carried 4-0, to adjourn to a Special Meeting to be held on February 5, 2024, at 5:30 p.m. at City Hall located at 910 Calle Negocio, San Clemente, California.



Charlie Smith
Chair-Investment Advisory Committee

Future Meeting Dates:

April 29, 2024

July 29, 2024

October 28, 2024