

# **CITY OF HUNTINGTON BEACH INVESTMENT ADVISORY BOARD**



## **ANNUAL REPORT TO THE CITY COUNCIL FOR: 2022**

## **INVESTMENT ADVISORY BOARD (IAB)**

### **Establishment of Board**

The Investment Advisory Board was created to act in an advisory capacity to the City Council and City Treasurer in matters pertaining to all of the City's investments by the City Council in May of 1995 by Resolution #3284. The Board is governed by the City's municipal code chapter 2.110 and is subject to the open meeting law ("Brown Act").

### **Board Membership**

The Investment Advisory Board shall consist of up to seven members. Each City Council member may appoint one member of the Board to serve the same term as the City Councilmember.

For 2022, the members were as follows:

<u>Name</u>	<u>Council Member</u>
Sean Heymann (Chairperson)	Dan Kalmick
Syndia Attardo	Kim Carr
Scott Dowds	Barbara Delgleize
Mark Ellett	Erik Peterson
Dennis Kelly	Natalie Moser
Rita Pitcher	Mike Posey
Monica Erskine	Rhonda Bolten

### **Investment Advisory Board: Duties**

The duties of the IAB as defined in the municipal code include:

- 1) Preparation of an Annual Report to be submitted to the City Council
- 2) Review and make recommendations regarding:
  - The City's Investment Policy Statement and compliance with this statement
  - Investment strategies and opportunities
  - Relevant governmental legislation
  - Quarterly investment reporting
- 3) Attend quarterly meetings

### **Investment Advisory Board: Activities**

The two major activities of the Board consisted of reviewing each quarterly investment report and reviewing the City of Huntington Beach Investment Policy annually, prior to their presentation at a City Council meeting.

The meetings of the Board for the period from January 1, 2022 to December 31, 2022 were held via Zoom according to Covid-19 protocol on the following dates:

January 20, 2022

April 21, 2022

July 21, 2022

October 20, 2022

Due to Covid-19, the Annual Report from 2021 was provided to the City Council on 2/7/22 via email, rather than presenting in person.

As required under Huntington Beach Municipal Code 2.110.040(b), the Investment Advisory Board reviewed matters pertaining to the City's investments as follows:

- Reviewed the annual Investment Policy Statement.
- Discussed cash management and the maintenance of continued sufficient liquidity to meet estimated expenditures.
- Reviewed risk-return analysis as it relates to safety, liquidity and yield.
- Reviewed and discussed relevant economic activity and policy.
- Reviewed appropriate state and federal legislation as it may impact the City's investments, including updates to the California Government Code Section 53601.
- Reviewed any anticipated exposure to loss through the analysis of liquidity, credit & market value of investments.
- Reviewed quarterly reports prior to presentation to the City Council.
- Reviewed quarterly compliance with Investment Policy. No exceptions were identified.

Additionally, at the direction of the City Council, the Investment Advisory Board discussed the issue of whether limiting investments in fossil fuels would affect the City portfolio's investment return. A response was sent to the City Council via email on July 28, 2022.

### **Conclusions**

Based on the information reviewed by the Investment Advisory Board for 2022, the Board acknowledges that the City Treasurer has maintained compliance with all requirements in the City's Investment Policy and related governmental regulations, and has managed the City's investment portfolio in a prudent and suitable manner.