

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



## **ANNUAL REPORT TO THE CITY COUNCIL FOR: 2018**

## **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 2018, the members were as follows:

| <u>Name</u>    | <u>Council Member</u> |
|----------------|-----------------------|
| Rob Sternberg  | Patrick Brendan       |
| Lydia Dupont   | Billy O'Connell       |
| Scott Dowds    | Barbara Delgleize     |
| Jennifer Handy | Jill Hardy            |
| John Piekarski | Mike Posey            |
| A.J. DiLiberto | Lyn Semeta            |
| Mark Ellett    | Erik Peterson         |

For 2019, the incoming member is:

| <u>Name</u>    | <u>Council Member</u> |
|----------------|-----------------------|
| Syndia Attardo | Kim Carr              |

### **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
  - Investment strategies and opportunities
  - Relevant governmental legislation
  - Quarterly investment reporting and compliance
- 3) Attend quarterly meetings

### **City Treasurer Activities**

The City Treasurer attended and participated in various activities during the period October, 2017 – December, 2018 including (but not limited to):

- LAIF Update Webinar – October, 2017
- Various CSMFO/CMTA Orange County Chapter meetings
- VHB Tourism Summit – March, 2018.

- Wells Fargo Bank “Treasury Insights” training – May, 2018
- CDIAC “Local Agency Investment Guidelines 2018 Update” Webinar – May, 2018
- Huntington Beach Chamber of Commerce Economic Conference – May, 2018
- CalPERS CERBT Fund Workshop - July, 2018
- CAMP Market Update: “What to Expect in a Rising Rate Environment” Seminar – October, 2018

The City Treasurer, in conjunction with the Orange County Auditor-Controller Eric H. Woolery, CPA, presented an O.C. Taxpayer Watchdog Event “How to Read a Government Budget” in December of 2017.

The City Treasurer received the “Orange County Taxpayer Watchdog Award” from the Orange County Auditor-Controller Eric H. Woolery, CPA in November of 2017.

As well, in August of 2018, the City Treasurer was appointed by the Orange County Board of Supervisors to the O.C. Treasury Oversight Committee to serve a three-year term.

### **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 October 1, 2017 to December 31, 2018 were open to the public, as required by Government Code 54950, and were held on the following dates in City Hall:

October 19, 2017  
January 18, 2018  
April 19, 2018  
July 19, 2018  
October 18, 2018

The Annual Study Session for the previous year was held on February 5, 2018.

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.

## **Conclusions**

Based on the information reviewed by the Investment Advisory Board for 2018, 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.