

FINANCE COMMITTEE NOTES

August 9, 2018

Attendees:

Committee members:	Randall Reed (Chair) and Luis Cetina
Staff members:	Carrie Corder, Chad Brantley, Agnes Boros, and Praseetha Krishnan
Members of the Public:	Sarah Meacham, PFM Asset Management

Call to Order: 5:00 p.m.

Public Comment: None

Additions/Deletions to Agenda: None

1. Operating Portfolio Update (Verbal)

- The District's Investment Advisor, Sarah Meacham of PFM Asset Management, presented the annual performance report for the Operating Portfolio, satisfying the annual reporting requirement as listed in the District's Investment Policy No. 1.4. Ms. Meacham provided a report on general economic conditions, as well as a detailed report on the District's Operating portfolio that included:
 - i. Well diversified portfolio in maturity and credit holdings
 - ii. Duration has shortened to maintain liquidity
 - iii. Unrealized market value declines are caused by rising interest rate environment; however, investments are held to maturity to avoid realizing actual losses
 - iv. The securities held are high quality and meet the required credit ratings
 - v. The portfolio is in compliance with California government code and the Investment Policy
- This item concluded at 5:35 p.m. and Ms. Meacham left the meeting.

2. Amend Administrative Policy No. 1.5, Debt Management

- Staff presented to the Committee a draft amendment of the policy, which included updated language to provide more flexibility for the District, clarified that advance refundings should have a minimum of 5% net present value savings, and added a paragraph to address CDIAC compliance.
- This policy was reviewed by the District's Municipal Advisor, Fieldman Rolapp & Associates. The Committee endorsed the amended policy and recommended it be brought to the full Board of Directors for review and adoption.

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3. Financing Strategy for Purchase of Real Property APN 1074-101-21

- Staff requested the Committee's endorsement of the funding strategy to purchase of land using the Developer Fee Reserve. The Committee concurred and recommended it be brought before the full Board of Directors for review and approval.

Meeting Adjourned at 5:55 p.m.