

CITY OF LA CAÑADA FLINTRIDGE

INVESTMENT AND FINANCING ADVISORY COMMITTEE Meeting of Friday, October 19, 2012

Final Minutes

Call to Order

The meeting was convened at 7:30 AM at City Hall

Roll Call

IFAC Members Present: Keith Ban, Brad Schwartz, Gene Stein, Jeff Wang, James Poindexter

Also Present: David Hemstreet, Asst City Treasurer

Absent: Kevin Tom

Review of Minutes of July 20, 2012 Meeting

The July 20, 2012 meeting minutes were moved for approval by Gene Stein and seconded by James Poindexter.

Investment Portfolio Review and Near Term Portfolio Management

City Treasurer Jeff Wang then moved the discussion to activity in the City's investment portfolio during the third quarter. Mr. Wang stated that over the previous quarter, an agency bond with a 2% coupon was called and was replaced with a 3 ½ year Bank of New York corporate bond.

IFAC member Brad Schwartz asked if there were other alternatives that the City could invest in for yield. There was brief discussion on whether or not our investment advisors were able to find us attractive investments and all came to the conclusion that PFM was providing a valuable service and that market conditions were driving the low yield situation.

There was follow up discussion about opportunities within the corporate bond sector as corporate issuance surged. Many were intrigued by the activity that has emerged from all sectors from financial to industrial.

Outlook for Interest Rates and Economy

IFAC member Keith Ban began the discussion with his assessment of current conditions. Mr. Ban felt that while economic activity was stable, he felt there was a growing positive trend. IFAC member Brad Schwartz added, that while his experience is more on the venture side, he was concerned about election impacts especially given that regulation was overwhelming.

IFAC member Gene Stein stated that the while he was cautious in earlier months, his worries had actually increased. Main concerns for these concerns were China's "true" economic statistics and the upcoming fiscal cliff discussions. He commented how some in the industry were battling what they felt were political decisions versus investment decisions and that these were essentially "un-analyzable".

In the end, all members felt that rates would continue to stay low for the near term and the investment arena would remain challenging.

Other Matters

No other matters were discussed.

Adjournment

There being no further business, the meeting was adjourned at 8:45 AM.