

# CITY OF LA CAÑADA FLINTRIDGE

## INVESTMENT AND FINANCING ADVISORY COMMITTEE

Meeting of Friday, January 20<sup>th</sup>, 2017

\*\*\* FINAL \*\*\* Minutes

### Call to Order

The meeting was convened at 7:34 AM at City Hall

### Roll Call

IFAC Members Present: Michael McConnell, Brad Schwartz, Gene Stein, Charles Thuss

IFAC Members Absent: Kevin Tom

Also Present: Jeff Wang, City Treasurer; Dan Jordan, Director of Finance

### Review of Minutes of October 20, 2016 Meeting

The October 20, 2016 meeting minutes were moved for approval by Charles Thuss and seconded by Brad Schwartz.

### City Hall Status Update

City Treasurer Jeff Wang provided the IFAC with a status update on the proposed purchase of the former Sports Chalet headquarters building for use as a future City Hall. Mr. Wang explained that escrow on the new building was likely to close in mid-February, and that many related issues were still under discussion, including disposition options for both the current City Hall facility and the Montessori School located adjacent to the new city hall, as well as options for utilizing any "excess" space within the new city hall facility. IFAC member Charles Thuss noted that the City should consider the total cost of ownership of any such options, and he emphasized the importance of having an architect who was open to all ideas for the new facility's tenant improvements. IFAC member Brad Schwartz added that perhaps a City/citizen committee on some kind might be useful to assist the process of developing the new facility.

### Investment Portfolio Review and Near Term Portfolio Management

City Treasurer Jeff Wang moved the discussion to the City's investment portfolio. He noted that interest rates had increased over the previous quarter and were perhaps poised to increase further. Mr. Wang also noted that the City's cash position had increased, the result of the influx of property tax revenue that occurs each year in December.

## **Outlook for Interest Rates and Economy**

IFAC member Brad Schwartz began the group's discussion about the current condition and future prospects for both the economy and interest rates. Mr. Schwartz discussed the current condition of the local high technology/start-up sector, and noted that the pending Snapchat IPO was a "landmark" event in the region's high technology sector, particularly if it led to further investment and new start-up activity. IFAC member Gene Stein then shifted the conversation to the broader macro-economic environment, noting the tremendous uncertainty in both political and economic conditions. He explained that markets seemed to expect between 2-4 quarter-point increases in interest rates by the Federal Reserve in the coming year. IFAC member Michael McConnell picked up on the "uncertainty" theme, noting the risk and potential consequences of any disruption in global supply chains. Finally, IFAC member Charles Thuss noted that both California and the nation were likely entering a cycle of increased spending on infrastructure, and that one potential implication for the City was perhaps a rise in construction prices as the market for contractors and materials tightens.

## **Other Matters**

No other matters were discussed

## **Adjournment**

There being no further business, the meeting was adjourned at 8:41 AM