



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

MINUTES OF FINANCE COMMITTEE

The Finance Committee held a meeting at the District Office, 1072 Tico Road on January 10, 2014 beginning at 3:30 p.m.

COMMITTEE MEMBERS PRESENT: John R. (Randy) Burg
William D. O'Brien
William M. Stone, Chairman

COMMITTEE MEMBERS ABSENT: None

STAFF PRESENT: Jeff Palmer, General Manager
Brenda Krout, Administrative Officer

OTHERS PRESENT: Howard Smith, MorganStanley SmithBarney

1. **Public Comment - (Items not on the agenda - 3 minute limit)**

None

2. **Quarterly Review of District's Investments**

Howard Smith of MorganStanley SmithBarney addressed the Committee presenting an overview of the District's investment portfolio. Mr. Smith noted that the portfolio is back on track, following the down turn the previous quarter, continuing to maintain returns well above the rate available with the Local Agency Investment Fund (LAIF). Mr. Smith noted that the District's portfolio has achieved a 3.79 percent gain on investment over the life of the portfolio.

Mr. Smith discussed the current market, stating the District's returns will probably stay in the same current general range (under 3 percent) for the foreseeable future. Mr. Smith noted that the District's portfolio contains only bonds, emphasizing that the bond market remains the most secure investment. Mr. Smith also explained the historical trends and patterns with the bond market.

ITEM 24-1

Mr. Smith responded to questions from the Committee.

The Committee unanimously supported presenting a recommendation to the Board to continue on the current course with the District's investments.

3. **Annual Investment Policy – Proposed Resolution No. 2014-01**

Proposed Resolution No. 2014-01 was reviewed, noting that this resolution continues with the current investment policy provisions. Annual adoption of the District's investment policy is required by Government Code and allows the Committee and Board to review the policy on an annual basis.

The Committee unanimously supported presenting a recommendation to the Board to adopt proposed Resolution No. 2014-01, continuing the current investment policy into 2014 and continuing to work with Morgan Stanley Smith Barney for investment managing services.

Mr. Palmer announced that at the January 27th Board meeting he will be requesting the Board to schedule in future years (beginning in 2015) the review and adoption of the investment policy in February in order to coincide with the appointment of new committee assignments in January of each year.

4. **Discussion**

a. Audience

None

b. Committee Members

None

c. General Manager

None

The Finance Committee meeting adjourned at 4:12 p.m.

Minutes submitted by Brenda Krout, Clerk of the Board

24-2