



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 April 5, 2016 beginning at 1:00 p.m.

COMMITTEE MEMBERS PRESENT: John R. (Jack) Curtis
William C. Murphy
Peter M. Kaiser, Chairman

COMMITTEE MEMBERS ABSENT: None

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

OTHERS PRESENT: Jack Oehmke, Morgan Stanley
Heidi Oehmke, Morgan Stanley

1. **Select Chairman For The Committee**

Director Kaiser was selected to serve as Chairman for the Committee.

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

None

FOR DISCUSSION & RECOMMENDATION

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

Jack Oehmke, Morgan Stanley, distributed a performance summary of the District's portfolio showing the investment return percentages over various periods of time including the past quarter and since inception of the portfolio in 2008.

Mr. Palmer reviewed the District's investment returns over the past quarter, noting that the performance continues to be relatively low at 1.33 percent but continues to out-perform the Local Agency Investment Fund (LAIF) with the State which is usually on-third to one-fourth less than what the District's portfolio is making.

It was discussed that the District's investment returns are not keeping up with inflation. Mr. Oehmke stated that changing the duration of the District's investments from 1-5 years to 1-10 years would increase the return; the District investment policy would require a change in order to do this. The reasonableness of such a change was discussed, concluding that it would not be prudent to have the District's funds locked in for 10 years.

Mr. Palmer discussed the positive factors of the District remaining conservative with their investment policy stating that the short duration of our current portfolio helps with our bond rating from Standard & Poor's which will benefit the District with the current bond refinancing that is underway.

Mr. Oehmke discussed the portfolio reports pointing out that the investment returns for the portfolio since inception in 2008 equals \$1.9 million. Mr. Oehmke 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.

FOR DISCUSSION & REVIEW

4. **General Discussion**
 - a. Audience
None
 - b. Committee Members
None
 - c. General Manager

Mr. Palmer reported that the procedures involved with the issuing of new bonds as a refinance of the District's 2003 & 2007 Bond Series is progressing.

The Finance Committee meeting adjourned at 2:00 p.m.

Minutes submitted by Brenda Krout, Clerk of the Board