

FINANCE COMMITTEE NOTES

August 7, 2019

Attendees:

Committee members:	Randall Reed (Chair) and Luis Cetina
Staff members:	Carrie Guarino, Chad Brantley, Eduardo Espinoza, Agnes Boros, Robert Kalarsarinis, Praseetha Krishnan, Gidti Ludesirishoti
Members of the Public:	Richard Babbe, PFM Investment Management

Call to Order: 5:00 p.m.

Public Comment: None

Additions/Deletions to Agenda: None

1. Annual PARS Portfolio Update

- Richard Babbe from PFM Investment Advisors provided an investment performance review for the PARS funds held in trust.
- The report on the current macro-economy showed that inflation and job growth remain at reasonable levels.
- The Federal Reserve cut the FOMC rate by 0.25% recently and the treasury yield curve has become inverted meaning longer term interest rates are lower than short-term interest rates.
- The report on the performance of the PARS portfolio showed the performance of the various investments has been favorable in Fiscal Year 2019.
- PFM actively monitors the asset allocation among the various investment types and adjusts as necessary.
- PFM and Staff reviewed the PARS Investment Policy 1.6 and there is no need to make any changes to the Policy or the target asset allocations at this time.

2. WesTech Change Order

- Staff provided and update on the progress on the progress of the nitrate treatment plant construction.
- The change order is needed to satisfy Southern California Edison requirements that three existing electrical services be consolidated into one resulting in additional scope of work valued at approximately \$454,000. An additional \$66,300 and \$4,800 was requested to provide for overnight security of the construction site and bonding requirements, respectively.
- The Committee moved the change order forward to be presented to the full Board on August 13, 2019.

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3. Review the financing strategy for purchase of real property APN 0207-022-11

- Staff presented a report on a land purchase agreement.
- Funding for the purchase will be provided from the Developer Fee Reserve.
- The Committee supported the budget transfer for the land purchase.

4. Review the financing strategy for purchase of real property APN 0202-091-02

- Staff presented a report on a land purchase agreement.
- Funding for the purchase will be provided from the Developer Fee Reserve.
- The Committee supported the budget transfer for the land purchase.

Meeting Adjourned at 6:10 p.m.