

**City of South Pasadena Finance Committee
Minutes for Meeting of:
July 23, 2014, 6:30 p.m.**

Location: Burke Triolo Studio
538 Mission Street
South Pasadena, CA 91030

- I. Roll Call** Committee Chair Adrian – Present
Member Burke – Present
Member Catania – Present
Member Peters – Present
Member Robinson – Present (Arrived 7:20 p.m.)
City Council Liaison Khubesrian - Excused
City Treasurer Pia – Present
Finance Director Batt – Present
Asst. Finance Director Lieu – Present

II. Public Comment

None.

III. Approval of Minutes for the Meeting of April 21, 2014

Approved 4-0 (Robinson absent).

IV. Continuing Business

a. 2014 Investment Policy

Committee Chair Adrian recused herself from the discussion of the Investment Policy due to a possible conflict of interest involving one of our brokers at Morgan Stanley.

City Treasurer Pia gave a presentation about the current investment policy and proposed a harmonization of the policy with the California Government Code, which is far less restrictive than the City's policy. Member Catania pointed out that city policies are usually more restrictive because having all the available options under the Govt. Code can make it harder to manage the investments. City Treasurer Pia said that the primary risk we'd be exposed to would be the creditworthiness of the issuer, and that our stewardship requires us to be assured of the quality of whatever investments are chosen. There was also some discussion regarding the custody arrangement with our brokers at Morgan Stanley ("delivery vs. payment"); City Treasurer Pia said that the proposed policy doesn't compromise the City from a security standpoint, and it also reduces the cost of doing business.

City Treasurer Pia mentioned that Morgan Stanley would like to discuss the possibility of a managed account with the Committee, but that needs to wait

until after the investment policy has been adopted. Member Robinson said there could be issues with the fees charged for that service.

Member Robinson made a motion to adopt the investment policy as presented. Motion passed 4-0 (Committee Chair Adrian recused).

Closed.

b. Update on Global Water

Finance Director Batt gave a brief overview of the continuing issues with Global Water. He said that the former City Attorney had begun a review of the contract, which was very unfavorable to the City, but there hasn't been a chance to discuss the situation yet with the new attorney. He added that we are still thinking about bringing the billing service back in-house, but that it would be very expensive at this point.

Continued.

c. Update on Ad Hoc Downtown Project Advisory Committee

Member Catania gave an overview of the status of the Downtown Project. He said that there are still four large properties that have issues that need to be resolved for the project to move forward. There are also issues with parking, and the overall configuration of the project. Member Catania said the Ad Hoc Committee would not be meeting again until the various land issues have been resolved.

V. Committee Member Comments

Finance Director Batt asked if the Committee would take up the issue of the City's new water and rubbish low-income subsidy program.

City Treasurer Pia asked if the Committee would like to hear a presentation from Morgan Stanley on proposed investments at a future meeting.

VI. Next Scheduled Meeting

The next Finance Committee was scheduled for August 19, 2014, at 6:30 p.m. at Burke Triolo Studios.

VII. Adjournment

The meeting was adjourned at 8:15 p.m.

Accepted:

Carrie Robinson
Committee Chair Adrian

JAN 26, 2015
Date