



**INVESTMENT COMMITTEE of the  
ORANGE COUNTY COMPTROLLER'S OFFICE**

**MINUTES OF ITS MEETING**

**March 14, 2017, 1:00 PM**

**Orange County Comptroller's Office  
Comptroller Conference Room A  
Orange County Administration Center, 4th Floor**

Members attending: Bob Tessier, Margaret McGarrity, Barry Skinner, Robin Ragaglia, and Jordan Cupps

Staff: Sean Polland, Carl Anderson and Amanda DeBoer

Guests: Grant Kalson (via speakerphone)

1. Ms. McGarrity opened the meeting to public comment

There were no comments.

2. Minutes of the last meeting

Mr. Cupps made a motion to approve the minutes from the December 6<sup>th</sup> meeting. Mr. Tessier seconded the motion. The motion was passed in a unanimous vote.

3. Review of the Retiree Health Care Benefit Trust

Mr. Kalson presented the *Retiree Health Care Benefit Trust Performance Review – December 2016*. The OPEB Trust had a total return of 0.92% for the quarter and 8.15% over the past twelve months. Relative to Dahab-advised plans with a prorated 80% equity and 20% debt allocation (the Trust's allocation is 83%–17%), the Orange County Retiree Health Care Benefit Trust's return was in the 79<sup>th</sup> percentile due to a strong quarter for active managers. Over the past five years, the Trust was in the 29<sup>th</sup> percentile.

Discussion followed. No action was taken.

4. Review and discussion of rates of return and investment positions

Mr. Anderson distributed and presented the following reports:

Effective Rates of Return by Asset Class for December, January and February  
Current Rates as of March 13, 2017  
Investment by Classification report as of March 13, 2017

Discussion followed. No action was taken.

5. Review and discussion of cash balances and cash flow

Ms. DeBoer distributed and presented the following reports:

Pool Balance & Noncurrent Portfolio  
Cash Flow Analysis  
Equity in Pool Chart, March 13, 2008 – March 13, 2017

Discussion followed. No action was taken.

6. Review of new *Investment Procedures and Internal Controls* manual

Mr. Polland presented a new *Investment Procedures and Internal Controls* manual. The document includes a listing of vendor and staff contacts, legal authority, internal controls and a link to the investment procedures on Comptroller Central. The Investment Committee also performed its annual review of the internal controls while reviewing this document. The Committee recommended several small changes.

Mr. Skinner made a motion to adopt the *Investment Procedures and Internal Controls* manual. Mr. Tessier seconded the motion. The motion passed unanimously.

7. Review of bank money market products

Mr. Anderson presented investment opportunities in bank money market accounts. These accounts offer higher yields than money market mutual funds comprised of Treasuries and are secured by the Florida Qualified Public Depository program. However, Florida PRIME (aka, the SBA) generates superior returns to the bank money market offerings and Wells Fargo might object to the County investing with competing banks. The County has a sole source banking and treasury management agreement with Wells Fargo.

During the conversation, the idea of increasing the investment in the SBA was discussed by the Committee. In December, the Committee recommended that the maximum investment in the SBA be limited to 15% of the total portfolio; however, the Investment Policy limit is 40%. Mr. Cupps expressed some concern about the level of risk added by increasing the investment in the SBA. Nevertheless, the Committee was comfortable with the SBA's risk profile, and this investment pool offers greater liquidity and higher returns.

Mr. Skinner made a motion to increase the investment balance in the SBA up to a maximum of 20% of the portfolio. Mr. Tessier seconded the motion. The motion passed unanimously.

8. The meeting was adjourned.

Minutes prepared by: Sean Polland

5/16/17

Date

Attest: Margaret A. McGarrity

5/16/2017

Date