



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

**MINUTES OF ITS MEETING**

**August 8, 2017, 1:00 PM**

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

**Attendees:**

**Investment Advisory Committee – Bob Tessier, Daniel Johnson and Margaret McGarrity  
Staff – Barry Skinner, Robin Ragaglia, Jordan Cupps, Sean Polland, Carl Anderson and  
Amanda DeBoer  
Guests – Grant Kalson**

**1. Ms. McGarrity opened the meeting to public comment**

There were no comments from the public.

**2. Continuation of the annual review of the Investment Policy**

Ms. McGarrity moved this item up in the agenda to address recent changes to the Investment Committee, which is now named the Investment Advisory Committee. Ms. McGarrity and Mr. Skinner led the discussion of the revisions.

Mr. Tessier made a motion to recommend the Investment Policy revisions to Comptroller Diamond. Mr. Johnson seconded the motion. The motion passed unanimously.

**3. Minutes of the last meeting**

Mr. Polland recommended a change to the draft of the meeting minutes.

Mr. Johnson made a motion to approve the minutes as amended and Mr. Tessier seconded the motion. The motion passed unanimously.

**4. Review of the Retiree Health Care Benefit Trust (OPEB)**

Mr. Kalson presented the *Retiree Health Care Benefit Trust Performance Review – June 2017*. The review included the current market value of the Trust, relative performance, asset allocations and market commentary. Mr. Kalson also discussed organizational changes at Vanguard.

Mr. Kalson informed the Committee that he conducted the annual due diligence review of the audit-related requirements in the OPEB Investment Policy. Based on this review, he believes

the five Vanguard mutual funds utilized by the Trust are in compliance with the guidelines of the OPEB Investment Policy.

Discussion followed. No action was taken.

5. 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 May, June and July  
Current Rates as of August 7, 2017  
Investment by Classification report as of August 7, 2017

Discussion followed. No action was taken.

6. 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, August 8, 2008 – August 4, 2017

Discussion followed. No action was taken.

7. Annual Review of the OPEB Investment Policy

Mr. Polland led the review. He distributed a version of the document with revisions reflecting the recent changes to the Investment (Advisory) Committee. Additional changes to the OPEB Investment Policy were discussed and agreed upon by the Investment Advisory Committee.

Mr. Tessier made a motion to recommend the agreed upon changes to Comptroller Diamond. Mr. Johnson seconded the motion. The motion passed unanimously.

8. Fixed-income market update and investment opportunities

Mr. Polland and Mr. Anderson updated the Committee on potential investment opportunities in commercial paper and bank money market deposit accounts.

Discussion followed. No action was taken.

9. The meeting was adjourned.

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Minutes prepared by: Sean Polland

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Attest: Margaret A. McGarrity

12/5/17  
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Date

12/5/17  
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Date