

FINANCE/INVESTMENT COMMITTEE MEETING MINUTES OF AUGUST 7, 2017

The Finance/Investment Committee meeting of August 7, 2017 was held in room 148 of the Tacoma Municipal Building. In attendance were committee members, as follows: Mayor Marilyn Strickland, Finance Director Andy Cherullo, and Teresa Sedmak, City Treasurer. Scott Prickett and Julie Hughes, both of Chandler Asset Management ("Chandler"), the City's Investment Advisory firm, also attended and participated in the meeting.

The meeting was called to order by Mayor Strickland at 11:04 a.m.

Mr. Cherullo made a motion to approve the minutes of the May 8, 2017 meeting. The motion was seconded by Ms. Sedmak and the motion was approved.

No outside attendees were present to provide public comment.

Ms. Hughes provided an economic overview and a review of data received relative to employment, inflation, consumer confidence, bond yields and other measures which provided information indicating the relative health of the domestic economy over the period.

Mr. Prickett reported on the characteristics and performance of the Core Portfolio over the second quarter. The Core Portfolio, along with the Liquidity Tier remained in compliance with the constraints of the City's Investment Policy. The Core Portfolio produced an annualized total return of 0.38% versus a total return of 0.34% on the benchmark Bank of America/Merrill Lynch 1-5 year U.S. Treasury Index, an outperformance of 4 basis points. The duration of the Core Portfolio remained slightly short of the benchmark duration, positioning it to outperform in an increasing interest rate environment. The total market value of this portion of the portfolio equaled \$478.407 million as of June 30, 2017.

Since Chandler has been advising on the portfolio, the Core Portfolio has produced a total return of 0.90% versus a benchmark return of 0.76%, a performance advantage of 14 basis points.

Ms. Sedmak reported on the second quarter performance of the Liquidity Tier of the portfolio. Over the three months ending June 30, 2017, the Liquidity Tier produced a current yield of 1.04%, versus the average yield of 0.497% on the State's Local Government Investment Pool (LGIP). The market value of the Liquidity Tier as of June 30, 2017 was \$361.970 million.

As there were no other issues to come before the Committee, the meeting was adjourned at 11:55 a.m.


MAYOR MARILYN STRICKLAND, CHAIRPERSON

Attest: 
