

Session Five:

The Day to Day Management of Public Funds

CDIAC/CMTA
January 19, 2017

OVERVIEW

- Monitoring Market News
- Trading Activity
- Cash Flows
- Fiduciary Responsibility
- Internal Controls

PANEL BACKGROUND

Agency	City of San Diego	City of Santa Monica	West Basin Municipal Water District
Speaker/Title	Kent Morris, MBA CTP Chief Investment Officer	David Carr Assistant City Treasurer	Margaret Moggia, CPA Chief Financial Officer
Dedicated Staff	3	5 (part-time)	2 (part-time)
Portfolio Size (as of 12/31/16)	\$2.21 Billion	\$700 Million	\$64 Million
Internally/Externally Managed	Internally Managed	Internally Managed	Externally Managed
Number of Portfolios	2 (Liquidity & Core Portfolio)	1	1
Email	kmorris@sandiego.gov	david.carr@smgov.net	margaretm@westbasin.org

MONITORING MARKET NEWS

- What resources do you use to monitor market news?
- How frequently do you need to monitor based on your portfolio strategy?
- Do you understand the impacts of data indicators on your portfolio?
- How does your agency handle negative news and does it impact your investment strategy?

TRADE ACTIVITY

- Do you manage your agency's investment trading on an active versus passive level?
- Do you use internal staff, investment manager, or combination of both?
- What analysis do you perform to select the most appropriate trade to meet your investment objectives?
- What are the steps in executing a trade through settlement?

CASH FLOWS

- How do you ensure adequate daily liquidity for operations?
- How do you determine your liquidity portfolio versus your core investment portfolio?
- How frequently are you updating/reviewing your cash flow analysis?
- How do you use your cash flow analysis in investment decision making?

FIDUCIARY RESPONSIBILITY

- How do you view your fiduciary responsibility?
- What steps do you follow to ensure your trades are executed at a fair price?
- How do you ensure compliance with investment policy/what if you become out of compliance?

INTERNAL CONTROLS

- Do you document your internal controls?
- How often do you review and evaluate internal controls?
- How do you ensure proper segregation of duties – large organization versus smaller organization?