

REGULAR MEETING MINUTES



Date: 7/18/2024
Time: 5:30 p.m.
Location: Teleconference and
City Hall Downtown Conference Room, 1st Floor
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair Wong called the meeting to order at 5:31 p.m.

B. Roll Call

Present: Albright, Bramlett, Garton, Leroux, Wong
Absent: Dey, Normington
Staff: Administrative Services Director Brittany Mello, Assistant Administrative Services Director Jared Hansen, Interim Finance and Budget Manager Rani Singh, Senior Accountant Ying Chen, Management Analyst II Adrian Patino

C. Public Comment

None.

D. Consent Calendar

D1. Approve the April 18, 2024 Finance and Audit Commission regular meeting minutes

ACTION: Motion and second (Bramlett/ Albright), to approve the consent calendar, passed 5-0-2 (Dey and Normington absent).

E. Regular Business

E1. Selection of Chair and Vice Chair

Management Analyst II Adrian Patino introduced the item.

The Commission received clarification on the responsibilities and selection procedure.

ACTION: By acclamation, the Commission selected Matt Normington to serve as chair and Lynne Bramlett to serve as vice chair (Dey and Normington absent).

E2. Review of the City's investment policy (Staff Report #24-006-FAC)

Assistant Administrative Services Director Jared Hansen introduced the item.

The Commission received clarification on the scope of the investment policy.

ACTION: Motion and second (Wong/ Bramlett), to recommend the investment policy to the City Council,

passed 5-0-2 (Dey and Normington absent).

- E3. Review the investment portfolio reports for June 30 and recommend receipt by City Council (Staff Report #24-007-FAC)

Assistant Administrative Services Director Jared Hansen introduced the item.

Insight Investment Senior Portfolio Specialist Dave Witthohn made the presentation (Attachment).

The Commission received clarification on the investment strategy, the portfolio's cash balance, macroeconomic and market conditions and the City's relationship with Insight Investment.

ACTION: Motion and second (Leroux/ Garton), to recommend receipt of the June 30 investment portfolio reports by the City Council, passed 5-0-2 (Dey and Normington absent).

- E4. Review draft Finance and Audit Commission annual report out to City Council

Management Analyst II Adrian Patino introduced the item.

The Commission received clarification on the report out goals.

The Commission discussed the draft presentation and the availability of Commissioners to present to City Council.

The Commission directed to staff to revise the presentation to denote the new chair and vice chair, to include more detail of the Commission's activities and to highlight the active subcommittees.

- E5. Review Finance and Audit Commission work plan, consider subcommittees, and recommend a 2024-25 work plan to City Council (Attachment)

Administrative Services Director Brittany Mello introduced the item.

The Commission discussed the work plan, active subcommittees, progress on work plan goals, Commissioner interests and received clarification on the timeline of the work plan.

ACTION: Motion and second (Leroux/ Wong), to select members to the following subcommittees:

- Financial Benchmarks Subcommittee: Garton
- Successor Agency Debt Subcommittee: Wong and Albright

And form the following subcommittee:

- Investment Portfolio Report Subcommittee: Albright and Garton

passed 5-0-2 (Dey and Normington absent).

F. Commissioner Reports

- F1. Report out from the Alternative Revenue Sources Subcommittee

Vice Chair Lynne Bramlett reported out on the activities and recommendations from the alternative revenue sources subcommittee.

G. Informational Items

- G1. Quarterly update on City grant funding (Attachment)

H. Adjournment

Chair Wong adjourned the meeting at 8:10 p.m.

Management Analyst II Adrian Patino

Minutes approved at the January 30, 2025 Finance and Audit Commission meeting

FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE REPRODUCED WITHOUT PRIOR WRITTEN APPROVAL
PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT

City of Menlo Park

David Witthohn, CFA, CIPM, Senior Portfolio Specialist

July 2024



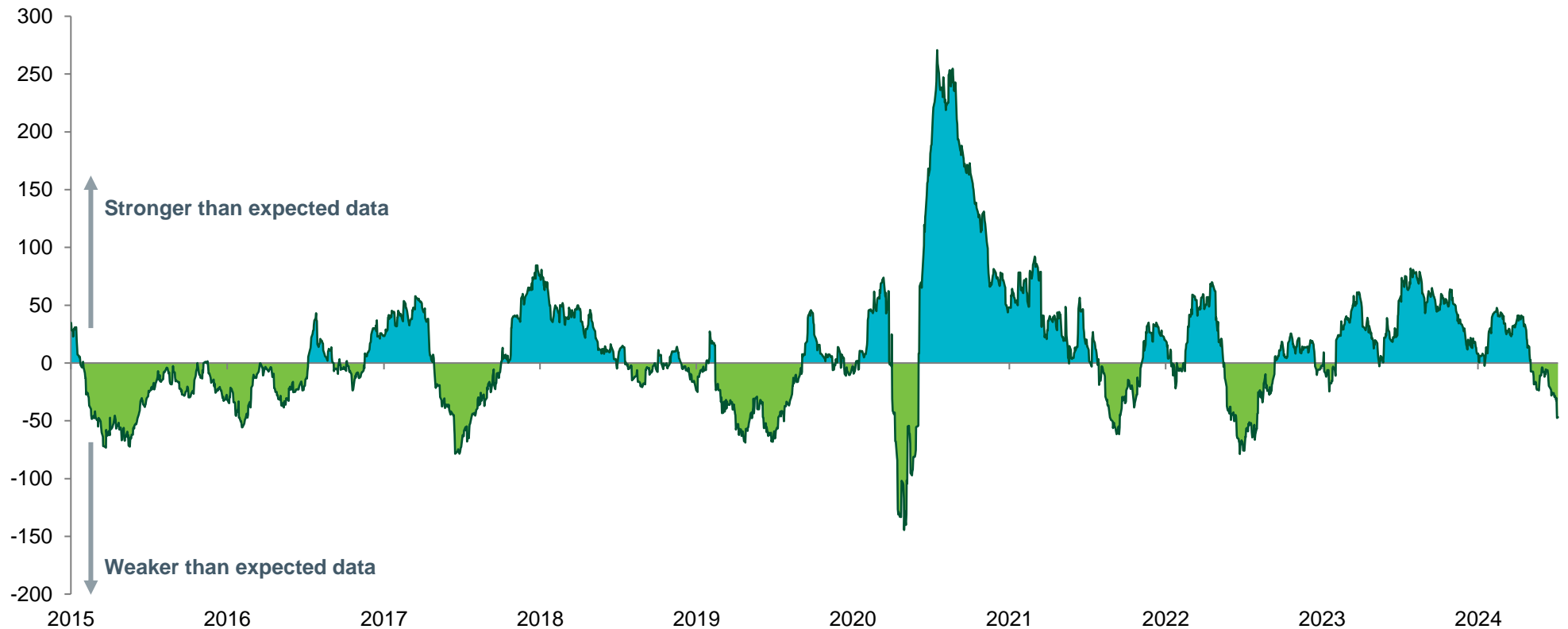
This document has been prepared by Insight North America LLC (INA), a registered investment adviser under the Investment Advisers Act of 1940 and regulated by the US Securities and Exchange Commission. INA is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited and Insight Investment International Limited. The performance of Insight is being presented to show the historical performance of the portfolio management team responsible for managing the strategy. The track records presented include all accounts managed by Insight with substantially similar investment objectives, policies and strategies for which the strategy management teams were responsible. Advisory services referenced herein are available in the US only through INA. INA and its Insight affiliates are part of the GIPS® firm Insight Investment, which claims compliance with GIPS. Please refer to the important disclosures at the back of this document.

Table of contents

1. Market environment and strategies
2. Portfolio update
3. Important disclosures

Disappointing macro data

Economic Surprise Index

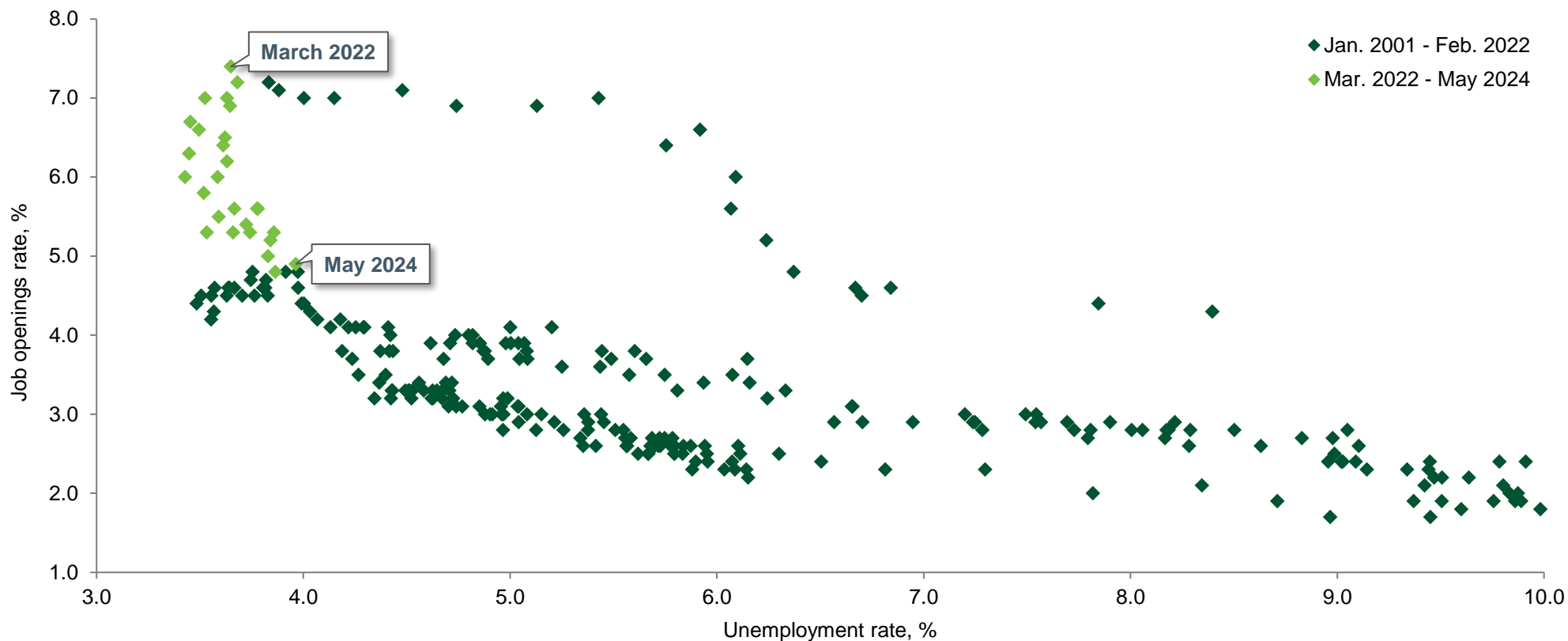


A 'quick-and-dirty' measure of how the economy stacks up against expectations points to an economy that is cooling

Source: Citi, as of July 5, 2024.

The labor market balance has largely normalized

Unemployment rate and job openings rate

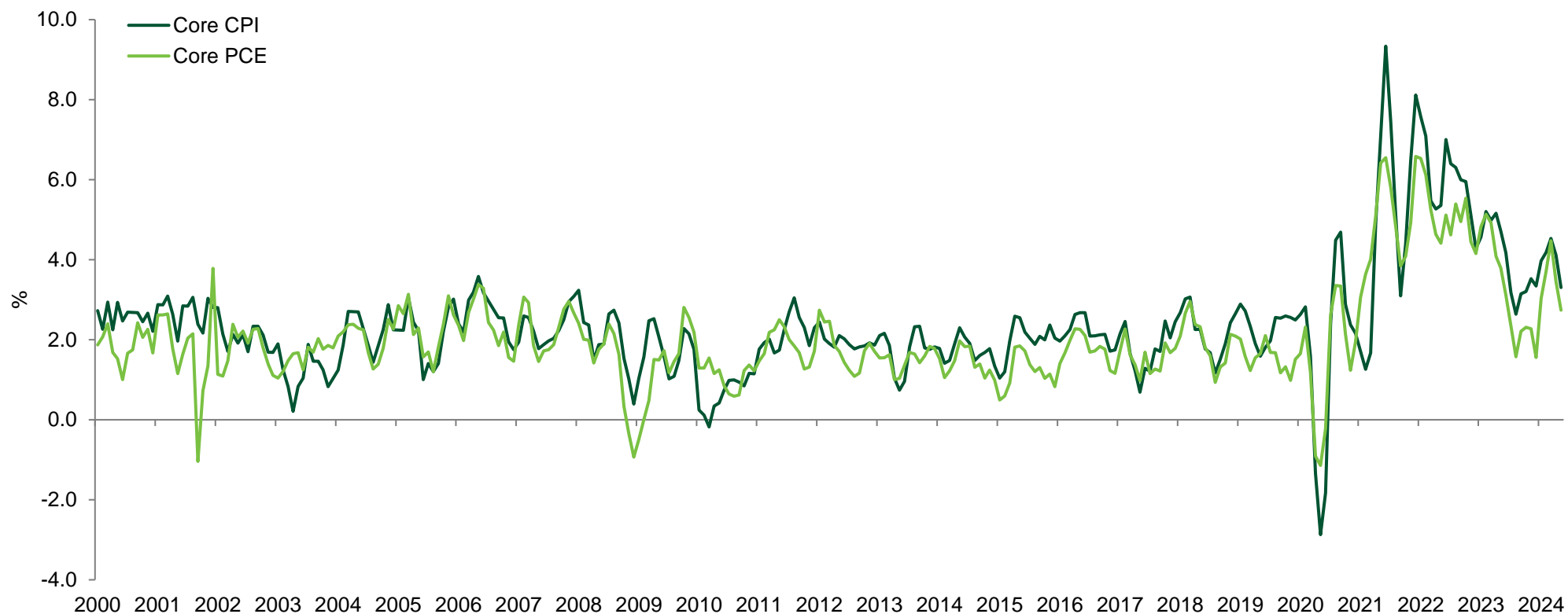


Going forward, however, further labor market moderation may require a higher unemployment rate, highlighting a delicate trade-off between inflation and unemployment

Source: Bureau of Labor Statistics, Insight Investment, as of July 2, 2024.

"The reports of an end to the disinflationary trend are greatly exaggerated"

Core CPI and core PCE. % 3-m annualized growth rate



A recent series of positive data prints has alleviated concerns about a potential reacceleration in inflation

Source: Bureau of Labor Statistics, Bureau of Economic Analysis as of June 28, 2024

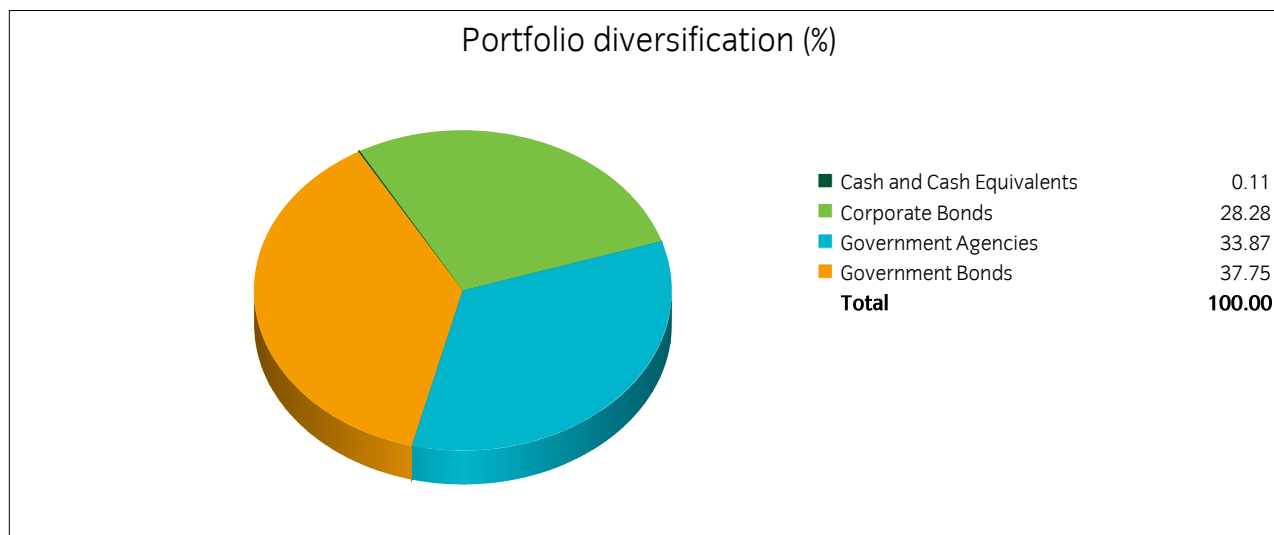
Portfolio update

The following data may not total 100% due to rounding. The list of holdings is only valid as of June 30, 2024 and should not be relied upon as a complete listing of the account's past investment decisions. Holdings are subject to change without notice, may not represent current or future decisions and should not be construed as investment recommendations.

RECAP OF SECURITIES HELD

As of June 30, 2024

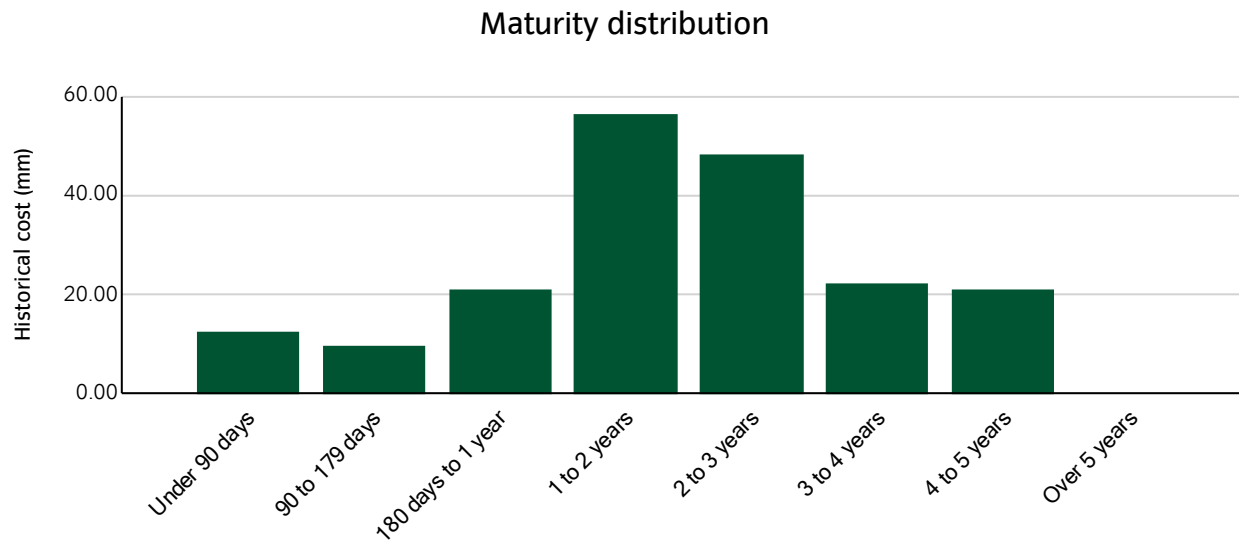
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	210,749.22	210,749.22	210,749.22	0.00	1	0.11	0.00
Corporate Bonds	53,742,364.19	53,772,405.78	53,073,391.69	(699,014.09)	894	28.28	2.14
Government Agencies	64,364,839.34	65,565,597.89	64,734,612.58	(830,985.31)	577	33.87	1.48
Government Bonds	71,744,939.43	73,882,369.44	72,467,226.88	(1,415,142.56)	776	37.75	1.99
Total	190,062,892.18	193,431,122.33	190,485,980.37	(2,945,141.96)	741	100.00	1.86



MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2024

Maturity	Historic cost	Percent
Under 90 days	12,416,579.52	6.53
90 to 179 days	9,370,700.00	4.93
180 days to 1 year	20,707,017.45	10.90
1 to 2 years	56,361,940.43	29.65
2 to 3 years	48,213,008.72	25.37
3 to 4 years	22,094,068.99	11.63
4 to 5 years	20,899,577.07	11.00
Over 5 years	0.00	0.00
	190,062,892.18	100.00



Important disclosures

Disclosures

Past performance is not indicative of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

The performance results shown, whether net or gross of investment management fees, reflect the reinvestment of dividends and/or income and other earnings. Any gross of fees performance does not include fees and charges and these can have a material detrimental effect on the performance of an investment. The performance shown is for the stated time period(s) only.

Any target performance aims are not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected. Investments are subject to risks, including loss of principal. There can be no guarantee that any investment strategy will meet the liability funding needs of a particular client.

Performance information for certain accounts may reflect performance achieved while the account was managed at a prior firm. In addition, the performance and customized benchmark information for these periods are based on information from 3rd parties that Insight believes to be accurate, but Insight has not independently verified such information and no representation is made regarding its accuracy or completeness.

The quoted benchmarks do not reflect deductions for fees, expenses or taxes. These benchmarks are unmanaged and cannot be purchased directly by investors. Benchmark performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison such as differences in volatility, and regulatory and legal restrictions between the indices shown and the strategy.

Any currency conversions performed for this presentation, use FX rates as per WM Reuters 4pm spot rates, unless noted otherwise.

Funds and portfolios with an ESG objective follow a sustainable or ESG related investment approach, which may cause them to perform differently than funds that are not required to integrate sustainable investment criteria when selecting securities. Funds and portfolios with no ESG objective are not required to integrate sustainable investment criteria when selecting securities so any ESG approach shown is only indicative and there is no guarantee that the specific approach will be applied across the whole portfolio.

This is a client report intended for professional clients only. This material is for professional clients only and is not intended for distribution to retail clients. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document is intended only for the parties to whom it was delivered or its authorised agents and should not be copied or passed to any other person. Please contact the Client Services Team if there has been any change in your financial circumstances or risk tolerance since the previous valuation that could affect the investment objective of your portfolio. Insight obtains market data and prices from an independent pricing source for all of our currency positions on a daily basis. For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

Some information contained in this client report comes from external sources which Insight believes to be reliable. A list of sources is available on request. All statistics represent month end figures unless otherwise noted. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Insight does not provide tax or legal advice to its clients and all investors are strongly urged to seek professional advice regarding any potential strategy or investment. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security.

Insight Investment is the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIL) and Insight North America LLC (INA), each of which provides asset management services. This group of companies may be referred to as 'Insight' or 'Insight Investment'.

Please compare the information provided in this statement to the information provided in the statement received from your Custodian. This report is not intended to replace your custodial statement which is your official record for all pertinent account information. Please notify us promptly if you do not receive from your custodian on at least a quarterly basis account statements that contain the amount of funds and each security in the account at the end of the period and all transactions in the account during that period.

Disclosures (continued)

For clients of Insight Investment Management (Global) Limited:

Issued by Insight Investment Management (Global) Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 00827982.

For clients of Insight Investment Funds Management Limited:

Issued by Insight Investment Funds Management Limited. Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 01835691.

For clients of Insight Investment International Limited:

Issued by Insight Investment International Limited (IIIL). Registered in England and Wales. Registered office 160 Queen Victoria Street, London EC4V 4LA; registered number 03169281. IIIL is registered with the Securities and Exchange Commission (SEC) in the United States as an investment adviser and the Commodity Futures Trading Commission (CFTC) as a Commodity Trading Advisor and is a member of the National Futures Authority (NFA); the Ontario Securities Commission (OSC), Alberta Securities Commission (ASC), British Columbia Securities Commission (BCSC), Manitoba Securities Commission (MSC), Nova Scotia Securities Commission (NSSC), Authorities des Marchés Financiers and Saskatchewan Financial Services Commission (SFSC) in Canada, and the Financial Services Agency in Japan.

Insight Investment Management (Global) Limited, Insight Investment Funds Management Limited and Insight Investment International Limited are authorised and regulated by the Financial Conduct Authority in the UK. Insight Investment Management (Global) Limited and Insight Investment International Limited are authorised to operate across Europe in accordance with the provisions of the European passport under Directive 2004/39 on markets in financial instruments.

For clients based in Singapore:

This material is for Institutional Investors only.

This documentation has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, it and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA') or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

For clients based in Australia and New Zealand:

This material is for wholesale investors only (as defined under the corporations Act in Australia or under the Financial Markets Conduct Act in New Zealand) and is not intended for distribution to, nor should it be relied upon by retail investors.

Both Insight Investment Management (Global) Limited and Insight Investment International Limited are exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services; and both are authorised and regulated by the Financial Conduct Authority (FCA) under UK laws, which differ from Australian laws. If this document is used or distributed in Australia, it is issued by Insight Investment Australia Pty Ltd (ABN 69 076 812 381, AFS license number 230541) located at Level 2, 1-7 Bligh Street, Sydney, NSW 2000.

For clients based in North America:

This material is for professional clients only and is not intended for distribution to retail clients.

Investment advisory services in North America are provided through two different investment advisers registered with the Securities and Exchange Commission (SEC), using the brand Insight Investment: Insight North America LLC (INA) and Insight Investment International Limited (IIIL). The North American investment advisers are associated with other global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as 'Insight' or 'Insight Investment'. INA is registered with the CFTC as a Commodity Trading Advisor and a Commodity Pool Operator and are members of the NFA.

© 2024 Insight Investment. All rights reserved.