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RESOLUTION NO. 22.074

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA ADDING THE RESPONSIBILITIES OF AN INVESTMENT ADVISORY COMMITTEE TO THE DUTIES OF THE CITIZENS' AUDIT COMMITTEE AND ESTABLISHING A CITIZENS' AUDIT REVIEW AND INVESTMENT ADVISORY COMMITTEE

WHEREAS, the City Council of the City of Laguna Beach recognizes the importance of transparency and accountability in the administration of public resources, and the City Council is ultimately responsible for ensuring that the City of Laguna Beach is meeting its internal control, financial reporting, and investment responsibilities; and

WHEREAS, the City Council recognizes the importance of an Investment Advisory Committee as it is considered a treasury management best practice and will further the City's goals of transparency and accountability in the administration of public resources; and

WHEREAS, the City Council recognizes that the existing Citizens' Audit Review Committee serves a similar purpose; and

WHEREAS, the City Council now desires to establish a Citizens' Audit Review and Investment Advisory Committee to add the responsibilities of an Investment Advisory Committee to the Citizens' Audit Review Committee;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH HEREBY RESOLVES AS FOLLOWS:

1. ESTABLISHMENT OF THE CITIZENS' AUDIT REVIEW AND INVESTMENT ADVISORY COMMITTEE

The City Council of the City of Laguna Beach hereby establishes the City of Laguna Beach Citizens' Audit Review and Investment Advisory Committee.

1 2. PURPOSE

2 The primary responsibilities of the Citizens' Audit Review and Investment Advisory
3 Committee will include without limitation the following:

- 4 a) Participating in the selection of the City's external financial auditors; reviewing the
5 results of the annual financial audit; reviewing any internal control weaknesses and
6 legal compliance issues identified in the course of the annual financial audit, and
7 providing any necessary recommendations to the City Council.
8
9 b) Reviewing the expenditures of the Measure LL Fund annually as part of reviewing
10 the results of the annual financial audit.
11
12 c) Reviewing the City's Investment Policy and recommending revisions as necessary;
13 reviewing the City Treasurer's report and related factors such as risk,
14 diversification, maturity, and performance; providing advice regarding potential
15 investment strategies, and suitability of investments pools such as the Local Agency
16 Investment Fund (LAIF); and providing recommendations to the City Treasurer.
17
18 d) Participating in the selection of an outside auditor to perform an annual review of
the investments for compliance with the Investment Policy.

19 3. MEMBERSHIP AND APPOINTMENT

20 The Citizens' Audit Review and Investment Advisory Committee shall consist of up to
21 five members, initially composed of the current two members of the Audit Review
22 Committee. The City Council will appoint members in the same manner provided for
23 all other City commissions, boards, and committees.
24

25 4. QUALIFICATIONS OF APPOINTED PUBLIC MEMBER

26 Each Citizens' Audit Review and Investment Advisory Committee member must be a
27 resident of the City of Laguna Beach. The City Council shall endeavor to ensure that
28

1 Committee members appointed after July 19, 2022 have ~~business-related~~^{business} experience
2 and substantial education, and demonstrated experience in one or more of the following
3 areas: investment banking, investment brokerage and sales, investment management,
4 financial management and planning, commercial banking, and government investment
5 practices.

6 5. COMPENSATION

7 Citizens' Audit Review and Investment Advisory Committee members shall serve
8 without compensation.
9

10 6. TERM OF MEMBERSHIP

11 Each current Citizens' Audit Review Committee member shall be appointed to the
12 Citizens' Audit Review and Investment Advisory Committee for two-year terms.
13 Thereafter, the remaining three positions will be appointed for three-year terms.
14

15 7. MEETINGS

16 The Citizens' Audit Review and Investment Advisory Committee will meet at least
17 quarterly, two for the Audit Review and two for Investment Advisory, and shall hold
18 other meetings on an as-needed basis. Meetings of the Citizens' Audit Review and
19 Investment Advisory Committee shall comply with applicable requirements of the
20 Brown Act.

21 8. STAFF SUPPORT

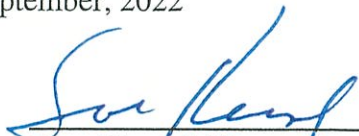
22 The Finance Manager will serve as the Audit Review Staff Liaison to the Committee,
23 and the City Treasurer will serve as the Investment Advisory Review Liaison to the
24 Committee. These assignments will be in addition to the appointed City
25 Councilmember liaison to the Committee.
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9. CONFLICT OF INTEREST

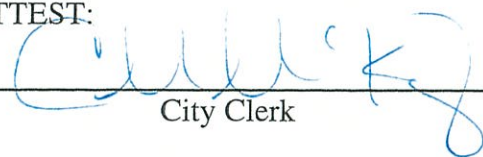
All members of the Citizens' Audit Review and Investment Advisory Committee are subject to the requirements of the Conflict of Interest provisions of the Laguna Beach Municipal Code and the conflict of interest laws of the State of California. All members shall be designated filers for the Statement of Economic Interests form (Form 700) required by the California Fair Political Practices Commission. No member of the Citizens' Audit Review and Investment Advisory Committee shall be financially interested in any contract or otherwise conduct any business with any member of the City Council, the City Manager, the Director of Administrative Services, the City Treasurer, or the City, either on an individual basis or as a partner, major shareholder, member, or employee of any firm.

ADOPTED this 20th day of September, 2022



Sue Kempf, Mayor

ATTEST:



City Clerk

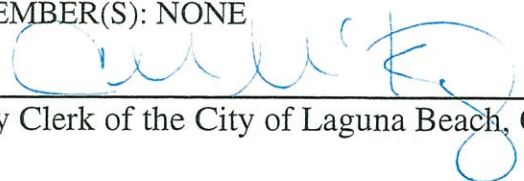
I, Ann Marie McKay, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 22.074 was duly adopted at a Regular Meeting of the City Council of said City held on September 20, 2022, by the following vote:

AYES: COUNCILMEMBER(S): Blake, Iseman, Weiss, Whalen, Kempf

NOES: COUNCILMEMBER(S): NONE

ABSENT: COUNCILMEMBER(S): NONE

ABSTAIN: COUNCILMEMBER(S): NONE



City Clerk of the City of Laguna Beach, CA