



City of Laguna Woods

ADMINISTRATIVE POLICY 1.6

INVESTMENT COMMITTEE

1.6.01. Statement of Purpose.

This Administrative Policy is intended to establish a practical means for the City Council to provide independent review and oversight of the City of Laguna Woods' investment policies and activities, in addition to the reporting required by other administrative policies.

1.6.02. Establishment.

An Investment Committee is established as a standing committee of the City Council.

1.6.03. Membership.

The City Council shall appoint two of its members to serve on the Investment Committee for terms two calendar years in length, commencing on January 1 of each odd-numbered year. In making such appointments, the City Council shall designate one appointee to serve as the Chair of the Investment Committee and the other to serve as Vice Chair.

The City Council may remove or replace any member of the Investment Committee, or modify Chair or Vice Chair designations, with or without cause, following a publicly noticed vote of a majority of the quorum of the members of the City Council present at the time.

1.6.04. Responsibilities.

The Investment Committee shall be responsible for the following:

1. Biannually reviewing the adequacy and effectiveness of the City of Laguna Woods' Investment of Financial Assets Policy (Administrative Policy 2.2) and, if modifications are identified as necessary or advantageous, making recommendations regarding the same to the City Council. This includes, but is not limited to, assessing whether the Investment of Financial Assets Policy is furthering its intended purpose of ensuring adequate safety and liquidity of the City of Laguna Woods' financial assets, while maximizing yield (return) and complying with the requirements of California Government Code sections 53600 and 53635 et seq.

2. Biannually reviewing the performance of and strategies associated with the City of Laguna Woods' funds invested separately with independent fiduciaries including, but not limited to, funds held and managed by the California Public Employees' Retirement System ("CalPERS") for the purpose of funding employee retirement obligations and other post-employment benefits and, if modifications are identified as necessary or advantageous, making recommendations regarding the same to the City Council.
3. Notifying the City Council when the Investment Committee believes it is necessary to retain outside financial experts, legal counsel, or other appropriate specialists to support the Investment Committee's work. This provision shall not be interpreted as limiting the Investment Committee's ability to consult with or receive services from the City Attorney's Office.
4. Annually reviewing the adequacy of this Administrative Policy and, if modifications are identified as necessary or advantageous, making recommendations regarding the same to the City Council.
5. Receiving a biennial presentation from the City Attorney's Office regarding the role of the Investment Committee and the responsibilities of members thereof.

Members of the Investment Committee are hereby advised to exercise an appropriate degree of professional skepticism in the performance of their responsibilities.

1.6.05. Meetings.

The Investment Committee shall meet regularly on the second Wednesdays of March and September at 3 p.m. Additional meetings including, but not limited to, special meetings, may be called by the Chair or both members of the Investment Committee.

The Investment Committee shall be subject to all applicable provisions of the Ralph M. Brown Act (California Government Code Section 54950-54963).

1.6.06. Staff Support.

The City Manager and/or their designee shall provide clerical, analytical, professional, and technical support to the Investment Committee, but shall not be members thereof.

1.6.07. Administrative Policy Dissemination.

All members of the Investment Committee shall be provided with and acknowledge receipt of a copy of this Administrative Policy when this Administrative Policy is adopted or amended, as part of their appointment to the Investment Committee, and in conjunction with each biennial City Attorney's Office presentation pursuant to Section 1.6.04 of this Administrative Policy.

This Administrative Policy shall be posted on the City of Laguna Woods' website.

1.6.08. Relationship to Federal and State Laws.

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence.

City Council Approval: October 21, 2026