

AGENDA ITEM 10.g

Investment Strategy for Cash

RECOMMENDED DIRECTIVE: The board reaffirms its August 2014 decision to invest excess cash per scenario 2 (20% U.S. large stocks; 10% international stocks, and 50% U.S. inter bonds).

DISCUSSION: In May 2011, during the board’s reflection, Mr. Roland presented investment options for the college’s reserve funds. At that meeting, the board reaffirmed its desire to more aggressively invest reserve funds to achieve a higher rate of return per the appropriate risk tolerance level of the investment program and directed the college to work with Mr. Roland to determine the best investment options for the board’s consideration at the next meeting.

At the September 2011 meeting, the comptroller went over four scenarios for investing our cash reserves. The analysis included the expected return, best case return, worst case return and probability of negative return for the various scenarios. The Board reviewed the source of the reserves and purpose for the reserves, however because selection of a scenario would depend on what and when the money would be needed, the board deferred action on investing idle cash until a strategic plan provides direction for use of the funds.

During its last meeting in August 2014, the board conditionally approved investing cash at Citi Bank per scenario 2 (20% U.S. large stocks; 10% international stocks, 50% U.S. interm bonds). Final approval is pending an update from Dan Roland.

ACTION TAKEN:

- Approved as presented
- Approved w/ modifications
- Disapproved
- Deferred to a later meeting

VOTE:

aye nay abstain

DATE: _____