
INVESTMENT OVERSIGHT COMMITTEE

County of Riverside, Executive Office
4080 Lemon Street, 4th Floor, Conference Room C
Riverside, California 92501

Meeting Minutes January 24, 2019

Members Present:

Don Kent	Executive Office
Elliot Duchon	Jurupa Unified School District
Theresia Trevino	Riverside County Transportation Commission
Giovane Pizano	Treasurer-Tax Collector

Members Absent:

Paul Jessup	Office on Education
-------------	---------------------

Staff and Guests Present:

Michael Thomas	County Counsel
Michele Jordan	Economic Development Agency
Stephanie Persi	Executive Office
Valerie Arce	Executive Office
Imelda Delos Santos	Executive Office
Jarvyk Punzalan	Executive Office Temporary Assignment Program
Steven Faeth	Treasurer-Tax Collector

1. CALL TO ORDER

Don Kent called the meeting to order at 10:04 a.m.

2. APPROVAL OF MINUTES

Theresia Trevino motioned to approve the meeting minutes of October 25, 2018. Elliot Duchon seconded and the motion passed.

3. MONTHLY DISCLOSURE REPORT ON INVESTMENT PORTFOLIO

Giovane Pizano reported that the Federal Reserve met on December 19, 2018 and voted to raise rates by 2.25% – 2.50%. The labor market was cited as strong with strong economic activity and inflation within their expectations. Some concerns were expressed, including those related to trade. The market received this information and the yield curve between the 3 month and 5 year flattened considerably. Given the reaction of the markets, the portfolio behaved favorably to interest rates. The portfolio increased to \$1.4 billion due to the December tax collections. The yield climbed to 2.27%.

Previous to this period, the consensus was a 2-4 potential rate increases in 2019. However, this has been scaled back. Futures market are not anticipating a rate increase in 2019. The projection is that future Federal Reserve activity has been scaled down.

The report was received and filed.

4. INVESTMENT REPORTS OF FUNDS OUTSIDE THE COUNTY TREASURY

- a) **CORAL:** Mr. Pizano reported there are no major changes. The only change is one slight reallocation. After speaking with the trustees, a pocket of money was identified that could be invested for 6 months without any potential risk for a call on cash. Commercial paper and certificate of deposits (cDs) were purchased. The yield increased by approximately 40 basis points for this portion of money.
- b) **LAND SECURED DISTRICTS:** Stephanie Persi reported that there were no significant changes.
- c) **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY:** Imelda Delos Santos reported that the portfolio is lower by approximately \$36 million. This reflects the true holdings of the Successor Agency.
- d) **HOUSING AUTHORITY:** Michele Jordan reported no significant changes.
- e) **HOUSING AUTHORITY SUCCESSOR AGENCY:** Ms. Jordan reported no significant changes.
- f) **RIVERSIDE COUNTY DISTRICT COURT FINANCING CORPORATION:** Ms. Delos Santos reported no significant changes.
- g) **PENSION OBLIGATION BONDS:** Ms. Delos Santos reported no significant changes.

Ms. Trevino inquired about the FSA Capital Management Investment. Ms. Delos Santos reported that FSA is a guaranteed investment contract (GIC) with a high percentage rate. Mr. Pizano added that it contains standard GIC contract language which protects Riverside County with clauses for when the credit rating drops below three different bracket thresholds.

- h) **RIVERSIDE PUBLIC FINANCING AUTHORITY:** Ms. Delos Santos reported a \$5 million decrease because construction money is being used to fund the ECDC project.
- i) **INFRASTRUCTURE FINANCING AUTHORITY:** Ms. Delos Santos reported no significant changes.

5. PUBLIC COMMENT

None.

6. OTHER BUSINESS

Mr. Pizano reported that the Treasurer-Tax Collector's online report now includes important Federal Reserve speeches.

The Riverside County Treasurer-Tax Collector has opted out of the selling of all school district bonds, as it felt uncomfortable being both the seller and buyer of these bonds. The Treasurer-Tax Collector can now buy school papers within the State of California. To clarify, the Riverside County Treasurer-Tax Collector was the agent of sale for the county on school finances by statute. The Board of Supervisors approved to opt out of this and, as a result, the Treasurer-Tax Collector can now be a buy of the school papers.

7. ADJOURNMENT

The next IOC meeting is scheduled for Thursday, April 25, 2019 at 10:00 a.m. Don Kent adjourned the meeting at 10:23 a.m.