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# INVESTMENT OVERSIGHT COMMITTEE

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

## Meeting Minutes (Approved) January 23, 2020

### **Members Present:**

Don Kent	Executive Office
Matt Jennings	Treasurer-Tax Collector
Theresia Trevino	Riverside County Transportation Commission
Elliot Duchon	Jurupa Unified School District
Edwin Gomez	Riverside County Office of Education

### **Members Absent:**

None.

### **Staff and Guests Present:**

Michael Thomas	County Counsel
Michael Walsh	Economic Development Agency
Rohini Dasika	Economic Development Agency
Juan Garcia	Economic Development Agency
Esmeralda Oviedo	Economic Development Agency
Isela Licea	Treasurer-Tax Collector
Steve Faeth	Treasurer-Tax Collector
Imelda Delos Santos	Executive Office
Jarvyk Punzalan	Executive Office
Valerie Arce	Executive Office

## 1. **CALL TO ORDER**

Don Kent noted the established quorum and called the meeting to order at 10:00 a.m.

## 2. **APPROVAL OF MINUTES**

Mr. Kent corrected a sentence regarding the Monthly Disclosure Report on Investment Portfolio to read, "In the same time, the Federal Open Market Committee (FOMC) met and cut the Federal Funds rate three times to the new target range of 1.50% to 1.75%, from the previous target range of 2.25% to 2.50%."

Theresia Trevino motioned to approve the meeting minutes of October 31, 2019 with the correction. Matt Jennings seconded, and the motion passed.

### **3. MONTHLY DISCLOSURE REPORT ON INVESTMENT PORTFOLIO**

Steve Faeth reported that the FOMC moved once in the fourth quarter by approximately 25 basis points from the range of 1.50% to 1.75%. It remained at this level since then. This resulted in a drop in the portfolio yield as investments rolled over. The end of the year yield was at 1.86%. The yield of the previous December was 2.27% and 2.13% at the end of the third quarter in September. The portfolio balances at end of December 2019 were at \$8.2 billion which was a considerable increase in assets compared to the previous year at \$7.5 billion. At the end of third quarter in September it was \$6.3 billion. This is the normal pattern of receiving a lot of funds at the end of the year and it is then dispersed throughout the year. Generally, the lowest portfolio balance occurs in October and then funds are received again. This is the annual cycle.

The economy stabilized in the fourth quarter. One example is that the housing market is beginning to display stronger numbers. The economy continues to march forward. The Federal Reserve reported that it is highly likely that it will not move numbers at all in 2020. The hope is that the portfolio will settle, and the yield will remain close to where it is currently.

### **4. INVESTMENT REPORTS OF FUNDS OUTSIDE THE COUNTY TREASURY**

a) **CORAL:** Isela Licea reported there are no significant changes. However, there are some corrections on the report. The maturity date for the Reserve Fund should be 03-30-2020, not 03-03-2020. On page 21, two yields are reflected for LAIF and clarification is needed as to which is accurate. On page 27, the yield of 1.736% is reflected for the Wells Fargo Government Money Market Fund. This is the same yield as last quarter and the yields have dropped on all other money market funds. Clarification is needed whether this is accurate.

Imelda Delos Santos will contact Columbia Capital for clarification and inform of the necessary corrections.

b) **LAND SECURED DISTRICTS:** Mr. Kent reported that he confirmed with Stephanie Persi that there are no new items to report.

c) **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY:** Imelda Delos Santos reported that rates dropped since last quarter. The balance of the portfolio also dropped by about \$48 million. This is because \$36 million was the amount in the fund that was used to pay debt service in October. The other reason is because Series 2011 BT bonds matured in October 2019 and the balances of the bond were zeroed out and transferred to the county. The balances will be held by the Successor Agency until it can be used to defease those 2011 bonds that are eligible for defeasance

d) **HOUSING AUTHORITY:** Mr. Kent clarified that the DAC agendas moving forward will no longer reflect the Housing Authority, as the bonds have matured and there is no more to report. Ms. Delos Santos added that the balances are all at zero.

e) **HOUSING AUTHORITY SUCCESSOR AGENCY:** Esmeralda Oviedo informed that there are no significant changes to report.

Ms. Trevino noted that the cover page of the Housing Authority Successor Agency reflects only Housing Authority. Don informed that this correction would be communicated to Columbia Capital as well.

- f) **RIVERSIDE COUNTY DISTRICT COURT FINANCING CORPORATION:** Ms. Delos Santos reported there were no significant changes.
- g) **PENSION OBLIGATION BONDS:** Ms. Delos Santos reported that the balance is comparable to that of last quarter. However, the balance will drop in the third quarter because debt service will be paid in February.

Ms. Trevino noted that these are the bonds with the guaranteed investment contract (GIC). Mr. Kent confirmed this and added that, while it was reported in the last quarter that FSA will pull out from the contract, it has not happened yet.

- h) **RIVERSIDE PUBLIC FINANCING AUTHORITY:** Ms. Delos Santos reported that there were no significant changes.
- i) **INFRASTRUCTURE FINANCING AUTHORITY:** Ms. Delos Santos reported that there were no significant changes.

#### 5. **INVESTMENT POLICY UPDATE**

Mr. Faeth reported a date change on the signature page and that the two changes in the brokerage firm names were due to mergers which slightly changed the name of the firm. He reported all else remains the same.

#### 6. **PUBLIC COMMENT**

None.

#### 7. **OTHER BUSINESS**

None.

#### 8. **ADJOURNMENT**

The next IOC meeting is scheduled for Thursday, April 23, 2020 at 10:00 a.m. Don Kent adjourned the meeting at 10:23 a.m.