



COUNTY OF RIVERSIDE
INVESTMENT OVERSIGHT COMMITTEE (IOC)

Minutes of Meeting
October 24, 2024
1:30 p.m.

Members Present:

Don Kent	Executive Office
Sergio Vidal	RCTC
Giovane Pizano (Alternate)	Treasurer-Tax Collector
Mays Kakish	Beaumont Unified School District

Members Not Present:

Jodi McClay	Riverside County Office of Education
Matt Jennings	Treasurer-Tax Collector

Staff and Guests Present:

Michael Thomas	County Counsel
Imelda Delos Santos	Executive Office
Ivanka Aghbashian	Executive Office
Erick Hernandez	Executive Office
Jonathan Gutierrez	Executive Office
Laura Sanchez	Executive Office
Isela Licea	Treasurer-Tax Collector
Steve Faeth	Treasurer-Tax Collector

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

The July 24, 2024, meeting minutes were reviewed and approved.

**MOTION: Sergio Vidal moved to approve.
Mays Kakish seconded.
All were in favor. The motion was approved unanimously.**

3. MONTHLY DISCLOSURE REPORT ON INVESTMENT PORTIFOLIO

The TPIF market value balance ending September 30, 2024 was \$14.27 billion, down from \$15.34 billion on June 30. The portfolio yield on September 30 was 4.22%, down from 4.38% on June 30. In an attempt to ease up on restrictive economic conditions, the Federal Reserve lowered the Fed Funds rate at its September 18th FOMC meeting, bringing the rate to a range of 4.75 – 5.00%, a surprising 50 basis point cut.

Money Market rates now trade around 4.80%. The quarter saw the yield on the 2-year Treasury decrease from 4.75% on June 30th to 3.64% on September 30th. 5-year Treasury yields began the quarter at 4.42% and ended at 3.56%. Going forward, the markets will be focusing on both employment and inflation. At present, several more rate cuts are expected but strong employment numbers and/or strong inflation numbers could bring this Fed easing cycle to a quick end.

4. INVESTMENT REPORTS OF FUNDS OUTSIDE OF THE COUNTY TREASURY

CORAL: Jonathan Gutierrez reported overall, a significant increase in the portfolio from prior quarter due to the increase of approximately \$18 million in the hospital bond accounts for the upcoming FY 24/25 debt service payment. All securities are yielding between 4.79%-4.85%.

LAND SECURED DISTRICTS: Jonathan Gutierrez reported that overall, there's a significant decrease in the portfolios of the Land Secured Districts from prior quarter due to debt service payments of principal and interest in September. All securities are yielding between 4.79%-4.85%.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY: Imelda Delos Santos reported that the Successor Agency portfolio is \$65.3 million, up by \$9.5 million from last quarter. She said the increase is due to the County's deposit to the trustee for the debt service due in October. She reported that Money Market Fund (MMF) rates dropped an average of 0.36% from last quarter.

Imelda stated that the Successor Agency subscribed to the U.S. Treasury for SLGS (state and local government securities) for its 2011 Tax Allocation Bond Series E Interest account and Series B Debt Service Sub-account. She said that last August, the Agency was notified by the Trustee that due to some changes in MMF rules, Dreyfus will be liquidating their Non-AMT tax exempt MMF. In order to continue to comply with tax regulations and the 2011 bond covenants, the Agency liquidated its investments in Dreyfus and purchased SLGS.

As mentioned during previous meetings, Imelda explained that the 2014 Series A, D and E Bonds, and the 2014 Series A Housing Bonds were refunded by the 2024 Series A, D E and Housing Bonds. The balances shown in the 2014 Bonds will be all transferred to the 2024 Refunding Bonds in the next quarter report. She noted that the accounts established for the new 2024 PFA Refunding Bonds are not invested or still in cash as of the end of the quarter, but will all reflect as invested in a Fidelity MMF in the next report.

PENSION OBLIGATION BONDS: Imelda Delos Santos reported the portfolio increased by \$77.9 million compared to last quarter due to the full year's debt service being sent to the Trustee in July per the requirement of the bond indentures. She said 68% of the portfolio is invested in Goldman Sachs MMF and 32% are invested in the Mass Mutual GIC. The MMF rates for Goldman Sachs dropped from 5.21% last quarter to 4.85% this quarter. The Mass Mutual GIC is a fixed rate yielding 4.83%.

INFRASTRUCTURE FINANCING AUTHORITY: Imelda Delos Santos reported that there's no significant change on the portfolio, just about \$8 thousand increase from last quarter due to interest earnings.

5. TREASURER-TAX COLLECTOR'S STATEMENT OF INVESTMENT POLICY UPDATE/REVIEW

Giovane Pizano reviewed changes to the Investment Policy Statement. Changes were made for continuity and consistency with state code and other references.

6. AGREED UPON PROCEDURES (AUP AUDIT REPORT)

Imelda Delos Santos reported that in compliance with Board Policy B-21, the County of Riverside Investment Oversight Committee (IOC) engaged external auditors Van Lant & Fankhanel, LLP, to perform an Agreed Upon Procedures (AUP) engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The engagement is intended to assist in understanding the County's compliance with the Treasurer's investment policy and the California Government Code. The various entities subject to this engagement includes: the Treasurer's investment portfolio and the investment portfolios of other entities such as the County of Riverside Asset Leasing Corporation (CORAL), the Successor Agency to the Redevelopment Agency for the County of Riverside, the Community Facilities Districts and Assessment District, the Riverside County Infrastructure Financing Authority, and, the County of Riverside Pension Obligation Bonds.

Imelda Delos Santos reported that there are no exceptions (or no findings) noted by the accountants as a result of the procedures on all areas of the Agreed Upon Procedures audit. She said that pursuant to the Board Policy, the IOC must review the Independent Accountant's Report.

7. OTHER BUSINESS

Jodi McClay is no longer with Riverside County Office of Education. A new committee member will need to be nominated by Treasurer-Tax Collector.

8. ADJOURNMENT

The next IOC meeting is scheduled for Thursday, January 23, 2025, at 10:00a.m. Don Kent adjourned the meeting at 2:05p.m.