
INVESTMENT OVERSIGHT COMMITTEE

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

Meeting Minutes April 25, 2019

Members Present:

Don Kent	Executive Office
Jon Christensen	Treasurer-Tax Collector
Theresia Trevino	Riverside County Transportation Commission

Members Absent:

Paul Jessup	Office on Education
Elliot Duchon	Jurupa Unified School District

Staff and Guests Present:

Michael Thomas	County Counsel
Michele Jordan	Economic Development Agency
Marianna Sarmiento	Economic Development Agency
Stephanie Persi	Executive Office
Valerie Arce	Executive Office
Susana Garcia	Executive Office
Jarvyk Punzalan	Executive Office
Giovane Pizano	Treasurer-Tax Collector
Isela Licea	Treasurer-Tax Collector
Jake Nieto	Treasurer-Tax Collector

1. **CALL TO ORDER**

Don Kent called the meeting to order at 10:02 a.m.

2. **APPROVAL OF MINUTES**

Giovane Pizano noted a few minor grammatical changes needed on page 2 and 6. Theresia Trevino identified that some additional information was needed in the Successor Agency report.

Theresia Trevino motioned to approve the meeting minutes of January 24, 2019 with the identified corrections. Don Kent seconded, and the motion passed.

3. MONTHLY DISCLOSURE REPORT ON INVESTMENT PORTFOLIO

Giovane Pizano reported that the portfolio was at \$7.5 billion at the end of March, which was an improvement of \$25 million from the totals in December. The yield improved by approximately 8 basis points.

The Federal Reserve met on January 30 and March 20, 2019 and did not change rates. However, commentary and the market expectations changed. Prior to their meeting, there was an 80% chance of a rate hike in December. After the meeting on March 20, there was a 50% chance of a rate cut by the October Federal Reserve meeting. In the markets, this translated into a continued inversion of the curve. The curve became inverted in March. The 3-month bill was out yielding the 10-year treasurer by a few basis points. To put this into perspective, Mr. Pizano explained that, in December, the spread between the 3-month bill and the 5-year treasury was approximately 20 basis points. At the end of March, it was minus 15 basis points. It is difficult to explain the economic expectations of the market. Economic data states that jobs are strong. Inflation continues to be tame. The composition and structure of the portfolio is roughly the same and is well positioned to adjust to an environment with lowering rates or increasing rates.

4. INVESTMENT REPORTS OF FUNDS OUTSIDE THE COUNTY TREASURY

- a) **CORAL:** Isela Licea reported that there were no significant changes.
- b) **LAND SECURED DISTRICTS:** Stephanie Persi reported that there were no significant changes.
- c) **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY:** Ms. Persi reported for Imelda Delos Santos. Asset holdings went up by \$13.5 million from the 2nd quarter due to the Successor Agency deposit in March for debt service.
- d) **HOUSING AUTHORITY:** Michele Jordan reported that the bond expired and \$19,000 was refunded since the last quarter.
- e) **HOUSING AUTHORITY SUCCESSOR AGENCY:** Ms. Jordan reported no significant changes.
- f) **RIVERSIDE COUNTY DISTRICT COURT FINANCING CORPORATION:** Ms. Persi reported no significant changes.
- g) **PENSION OBLIGATION BONDS:** Ms. Persi reported a decrease of \$27 million due to a payment to debt service in February.
- h) **RIVERSIDE PUBLIC FINANCING AUTHORITY:** Ms. Persi reported no significant changes.

Theresia Trevino noted a missing number on the report as it did not total correctly. This was identified as an error and the amount was to be corrected to reflect \$19 million.

i) **INFRASTRUCTURE FINANCING AUTHORITY:** Ms. Persi reported no significant changes.

5. INVESTMENT POLICY REVIEW/UPDATE

Mr. Pizano reported that Academy Securities was added as an authorized dealer and this will be presented to the Board of Supervisors. He clarified that all primary broker dealers are approved. Non-broker dealers, such as this, are added as an exclusion and there is an application process. Furthermore, the Treasurer-Tax Collector's Office manages relationships and maintains relationships with individuals of high character.

6. PUBLIC COMMENT

None.

7. OTHER BUSINESS

None.

8. ADJOURNMENT

The next IOC meeting is scheduled for Thursday, July 25, 2019 at 10:00 a.m. Don Kent adjourned the meeting at 10:20 a.m.