

BOARD MEETING DATE: March 1, 2019

AGENDA NO. 23

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a meeting on Friday, February 15, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Michael A. Cacciotti, Chair  
Investment Oversight Committee

SJ:tm

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### **Committee Members**

Present: Council Member Michael Cacciotti, Chair (teleconference)  
Dr. Joseph K. Lyou  
Committee Member Richard Dixon  
Committee Member Brent Mason  
Committee Member Patrick Pearce

Absent: Dr. William A. Burke, Vice Chair

### **Call to Order**

Council Member Michael Cacciotti called the meeting to order at 12:02 p.m.

### **DISCUSSION ITEMS:**

1. *Quarterly Report of Investments:* The Committee reviewed the quarterly investment report that was provided to the Board. For the month of December 2018, the SCAQMD's weighted average yield on total investments of \$878,895,333 from all sources was 2.13%. The allocation by investment type was 92.80% in the Los Angeles County Pooled Surplus Investment Fund (PSI) and 7.20% in the State of California Local Agency Investment Fund (LAIF) and Special Purpose Investments (SPI). The one-year Treasury Bill rate as of December 31, 2018 was 2.54%.

2. Financial Market Update: Richard Babbe from PFM Asset Management provided the Committee with information on current investment markets, economic conditions, and the overall outlook. He presented market information on uncertainty of any potential increases in federal interest rates, which is causing the Treasury yield curve to remain flat. Economic indicators were also presented that indicated consumer confidence remained high and although recession is not imminent the economy was softening. With volatility in the market, trade relations and political conditions, 2019 is expected to have a lot more uncertainty.
3. Discuss Current Investments: \$25 million in Special Purpose Investment matured on December 28, 2018. In January 2019, staff worked with Los Angeles County Treasurer to re-invest \$35 million in U.S. Treasuries with an average yield of 2.53%, and one-year maturity.

**ACTION ITEM:**

4. Approval of Annual Investment Policy and Delegation of Authority to Los Angeles County Treasurer to Invest SCAQMD funds: State law requires a local government entity to provide an annual statement of investment policy for consideration at a public meeting and to renew its delegation of authority to its treasurer to invest or to reinvest funds of the local agency. The Annual Investment Policy is being updated to reflect the changes to the rating of CDs and Asset-Backed Securities.

Moved by Dixon; seconded by Lyou; unanimously approved.

Absent: Burke

**OTHER MATTERS:**

**5. Other Business**

There was no other business.

**6. Public Comment Period**

There were no public comments.

**7. Next Meeting Date**

The next regular meeting of the Investment Oversight Committee is scheduled for May 17, 2019 at noon.

**Adjournment**

The meeting adjourned at 12:43 p.m.