

BOARD MEETING DATE: August 2, 2024

AGENDA NO. 18

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a hybrid meeting on Friday, June 14, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Michael A. Cacciotti, Committee Chair
Investment Oversight Committee

SJ:gp

Committee Members

Present: Vice Chair Michael A. Cacciotti, Committee Chair
Supervisor Curt Hagman
Board Member Veronica Padilla-Campos
Richard Dixon
Jill Whynot

Absent: Mayor José Luis Solache

Call to Order

Committee Chair Cacciotti called the meeting to order at 8:02 a.m.

For additional details of the Investment Oversight Committee Meeting, please refer to the [Webcast](#).

DISCUSSION ITEMS:

1. *Quarterly Report of Investments:* Sujata Jain, Chief Financial Officer presented the quarterly investment report. Committee Chair Cacciotti asked about reinvesting the US Treasury Note funds that will be maturing on June 20, 2024. Ms. Jain explained that staff will reach out to the Los Angeles County Treasurer to reinvest the funds. For additional information please refer to the [Webcast at 6:26](#).

2. Cash Flow Forecast: Ms. Jain reported on the cash flow for the current and next three years. For additional information please refer to the [Webcast at 8:09](#).
3. Financial Market Update: Richard Babbe, PFM Asset Management, gave the financial market update. Mr. Babbe explained that the economic picture is generally favorable, however, there are weaknesses in certain parts of the economy. For additional information please refer to the [Webcast at 9:30](#).

Supervisor Hagman asked about the stimulus package that was passed and if this changes predictions with respect to inflation and government spending. Mr. Babbe talked about the deficit and long-term concerns. Board Member Padilla-Campos asked about job growth and the future of Social Security. Mr. Babbe responded that he did not include that information in this presentation, but could provide that information to the Committee. Committee Chair Cacciotti commented about the one trillion dollar interest payment the Federal government has to pay this year on the 34 trillion dollar national debt and the impact that will have on local, regional and State governments as programs are cut. Mr. Babbe indicated his concern this increasing national debt will have on all levels of government for longer term, more than one year and out (intermediate and long term). He said that the amount of debt our federal government has to refinance with the current higher interest rates will be higher than one trillion dollars which will crowd out other spending. We will need to increase taxes or devalue and create additional inflation going forward to pay back the debt with cheaper dollars. For additional information please refer to the [Webcast at 25:15](#).

OTHER MATTERS:

4. **Other Business**

There was no other business to report.

5. **Public Comment Period**

There were no public comments to report.

6. **Next Meeting Date**

The next regular Investment Oversight Committee meeting is scheduled for Friday, September 13, 2024.

Adjournment

The meeting adjourned at 8:32 a.m.