

BOARD MEETING DATE: January 10, 2025

AGENDA NO. 25

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a hybrid meeting on Friday, December 13, 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
Richard Dixon
Jill Whynot
Sarah Meacham

Absent: Board Member Veronica Padilla-Campos

Call to Order

Committee Chair Cacciotti called the meeting to order at 8:04 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 U.S. Treasury Notes funds that have or will be maturing in November and December 2024. Ms. Jain explained that she reached out to the Los Angeles County Treasurer about reinvesting the funds and will also reach out to staff regarding the restricted funds and the ability to reinvest those funds. For additional information please refer to the [Webcast at 8:02](#).

2. Cash Flow Forecast: Ms. Jain reported on the cash flow for the current and next three years. Ms. Jain explained that staff works with the Los Angeles County Treasurer for investments that will provide additional interest yield. For additional information please refer to the [Webcast at 10:03](#).
3. Financial Market Update: Richard Babbe, PFM Asset Management, gave the financial market update from the second quarter. Mr. Babbe discussed consumer price index, inflation trends, demands for goods and services, gross domestic product, unemployment and consumer spending. Mr. Babbe explained that at the beginning of the third quarter, the labor market weakened significantly and pushed the Fed to cut rates aggressively at their September meeting. For additional information please refer to the [Webcast at 11:10](#).

Committee Member Sarah Meacham asked what PFM Asset Management is doing with accounts given the expectation of rate cuts. Mr. Babbe explained that they are taking a wait and see approach. For additional information please refer to the [Webcast at 27:03](#).

Supervisor Hagman asked about the decline in unemployment rates. Mr. Babbe talked about the workforce participation by different age groups. For additional information please refer to the [Webcast at 28:30](#).

Chair Cacciotti asked about the treasury notes maturing and his recommendations for reinvesting. Mr. Babbe talked about fund restrictions. For additional information please refer to the [Webcast at 32:03](#).

Executive Officer Wayne Nastri asked about the impact of possible tariffs on the market and overall economy. Mr. Babbe explained that tariffs in general are anticipated to be inflationary but more of an inflationary shock. For additional information please refer to the [Webcast at 36:03](#).

Committee Member Sarah Meacham commented on South Coast AQMD's portfolio and suggested increasing the amount invested in the Local Agency Investment Fund. Ms. Jain explained that she will reach out to Los Angeles County regarding investments within our investment policy. For additional information please refer to the [Webcast at 39:02](#).

ACTION ITEMS:

4. Approve Committee Meeting Dates for Calendar Year 2025: Motion was made by Committee Member Richard Dixon, Seconded by Supervisor Hagman to adopt the proposed meeting dates of March 14, June 13, September 12, and December 12, 2025. The committee voted to adopt the motion 5-0. For additional information please refer to the [Webcast at 41:34](#).

OTHER MATTERS:

5. Other Business

There was no other business to report.

6. Public Comment Period

Harvey Eder, Public Solar Power Coalition, was cut off because he was speaking off topic. For additional details, please refer to the [Webcast at 45:06](#).

7. Next Meeting Date

The next regular Investment Oversight Committee meeting is scheduled for Friday, March 14, 2025.

Adjournment

The meeting adjourned at 8:45 a.m.