

BOARD MEETING DATE: December 5, 2014

AGENDA NO. 30

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee met Friday, November 21, 2014 and discussed various issues detailed in the Committee report. The next Investment Oversight Committee meeting is scheduled for Friday, February 20, 2015 at 12:00 noon in Conference Room CC2.

RECOMMENDED ACTION:
Receive and file this report.

Michael Antonovich, Chair
Investment Oversight Committee

MBO:lg

Attendance: Present at SCAQMD were Committee members Dr. Joseph K. Lyou, Gary Burton, Richard Dixon, and Brent Mason. Supervisor Michael Antonovich and Councilmember Michael A. Cacciotti attended by teleconference. Absent was Committee Member Dr. William Burke.

Investment Committee Action Items:

Quarterly Report of Investments: The Committee reviewed the quarterly investment report that was provided to the Governing Board. For the month of September 2014, the SCAQMD's weighted average yield on total investments of \$ 580,726,988.14 from all sources was .75%. The allocation by investment type was 90% in the Los Angeles County Pooled Surplus Investment Fund (PSI) and 10% in the State of California Local Agency Investment Fund (LAIF) and Special Purpose Investments (SPI). The one-year Treasury Bill rate as of September 30, 2014 was .13%. The Committee unanimously approved the quarterly report.

Investment Committee Discussion Item:

Cash Flow Forecast: Michael O'Kelly reported on the cash flows for the current year and projected for the next three years. SCAQMD Investment Policy limits its Special Purpose investments to 75% of the minimum amount of funds available for investment

during the Cash Flow Horizon. That limit, which includes all funds (General, MSRC, Clean Fuels), is \$133.3 million.

Financial Market Update: Sarah Meacham from PFM Asset Management provided the Committee with information on current investment markets, economic conditions, and the overall outlook. They presented market information on the continued steepening Treasury yield curve, the continued narrowing yield spreads between Treasuries and U.S. Agencies, the addition of supranational bonds as authorized investments for California agencies, and fixed-income market performance. Economic indicators were also presented showing strong economic growth, improving labor market, and improving consumer confidence.

Calendar Year 2015 Committee Meeting Dates: For CY 2015, quarterly Investment Oversight Committee meeting dates are Friday, February 20, and Friday, November 20. The normally scheduled May meeting will be moved to June, pending a polling of available dates among Committee members and approval of the date by the Committee at the February 20 meeting. The August quarterly meeting has been cancelled in conjunction with the cancellation of all SCAQMD Board and Committee meetings during the month of August 2015.

Other Business: None

Public Comment: None