



SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE
Regular Meeting — Friday, May 18, 2018 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

MINUTES

PRESENT: Gerardo Castillo, Jeremy Edwards, Angelica Hernandez, Ben Lamera, Chris Parker, Ronald Seaman, Michael Smith, David Villanueva.

ABSENT: Brandon Rose, Joseph Wilson.

STAFF: Peggy Marti, Dave Matuskey, Bernard Santo Domingo, Andy Yu.

GUESTS: Dan Campbell, Grant Gould, Stanton Miller, Lily Ng, Karlee Ransom.

1. CALL TO ORDER AND INTRODUCTIONS.

Vice Chair Gerardo Castillo called the meeting to order at 9:01 a.m. Committee members, staff, and guests from Vavrinek, Trine, Day & Co. and Bank of the West introduced themselves.

2. COMMENTS FROM THE PUBLIC.

There were no comments from the public.

3. APPROVAL OF FEBRUARY 16, 2018, MEETING MINUTES.

The minutes of the February 16, 2018, meeting were approved as amended on a motion made by Ronald Seaman, seconded by Angelica Hernandez, and carried (7-0).

4. DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER ENDED MARCH 31, 2018.

Andy Yu reported for the quarter ended March 31, 2018, that fourteen issues, two of which were new and none of which were external, were reviewed and no instances of non-compliance were found.

The Internal Audit Of Non-Pooled Investment Funds For The Quarter ended March 31, 2018, was accepted on a motion made by David Villanueva, seconded by Chris Parker, and unanimously carried (7-0).

5. INTRODUCTION TO BANK OF THE WEST.

Dan Campbell, Grant Gould, Stanton Miller, and Lily Ng of Bank of the West discussed the bank's new relationship with the County of Sacramento.

6. DISCUSSION AND ACTION ON THE ANNUAL INDEPENDENT ACCOUNTANT'S REPORT REGARDING INVESTMENT COMPLIANCE REQUIREMENTS FOR THE POOLED AND NON-POOLED INVESTMENT FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017.

Karlee Ransom of Vavrinek, Trine, Day & Co., LLP presented the *Treasury Oversight Committee Independent Accountant's Report for the Year Ended December 31, 2017*, and noted that no instances of non-compliance were found.

The Treasury Oversight Committee Independent Accountant's Report for the Year Ended December 31, 2017, was accepted on a motion made by Chris Parker, seconded by Ronald Seaman, and unanimously carried (8-0).

7. ELECTION OF CHAIR AND VICE CHAIR FOR TWO-YEAR TERMS EXPIRING JUNE 2020.

Vice Chair Gerardo Castillo announced that he is resigning from the committee.

Chris Parker was elected Chair and on a motion made by Gerardo Castillo, seconded by Ronald Seaman, and unanimously carried (8-0).

Jeremy Edwards was elected Vice Chair and on a motion made by Chris Parker, seconded by Angelica Hernandez, and unanimously carried (8-0).

8. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE NON-POOLED FUNDS PORTFOLIO REPORT FOR THE QUARTER ENDED MARCH 31, 2018.

Bernard Santo Domingo presented the Quarterly Report of the Non-Pooled Funds Portfolio for the Quarter Ended March 31, 2018.

The Non-Pooled Funds Portfolio Reports For The Quarter Ended March 31, 2018, was accepted on a motion made by Chris Parker, seconded by Jeremy Edwards, and unanimously carried (8-0).

9. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED INVESTMENT FUND FOR THE QUARTER ENDED MARCH 31, 2018, AND COMPLIANCE WITH INVESTMENT POLICY.

Bernard Santo Domingo presented the Quarterly Report Of The Non-Pooled Funds Portfolio For The Quarter ended March 31, 2018, and Compliance with Investment Policy. He stated that the Pooled Investment Fund was in compliance with the investment policy and California Government Code.

Bernard Santo Domingo provided his economic commentary. He noted that all signs point to rates continuing to rise, with a rate hike virtually guaranteed at the June FOMC meeting. He stated that his conservative forecast for the pool yield for next fiscally year is two percent, but that it will probably be higher. Mr. Santo Domingo noted that the biggest danger sign is the yield curve, which is the flattest it has been in over a decade, but that many see the flattening as a result of the rise of short-term rates rather than a sign of impending recession.

The Quarterly Reports of the Pooled Investment Fund For The Quarter Ended March 31, 2018, were accepted on a motion made by David Villanueva, seconded by Jeremy Edwards, and unanimously carried (8-0).

10. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR DECEMBER 2017.

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – March 2018, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of March 2018, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from June 30, 2017 – March 31, 2018.*

11. DISCUSSION AND ACTION ON REPORT OF COMPLIANCE WITH GOVERNMENT CODE SECTION 27133(d) AND INVESTMENT POLICY REGARDING STATEMENT OF ECONOMIC INTERESTS

Bernard Santo Domingo presented the *Limits on Honoraria, Gifts and Gratuities* report and noted that all members of the committee are in compliance with the California Government Code and the Sacramento County Annual Investment Policy.

The Report of Compliance with Government Code Section 27133(d) and Investment Policy Regarding Political Contributions was accepted on a motion made by Chris Parker, seconded by Angelica Hernandez, and unanimously carried (8-0).

12. NEXT MEETING REMINDER.

Vice Chair Gerardo Castillo reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, August 17, 2018, in the County Administration Center's Hearing Room One, Room 1487.

13. ADJOURNMENT.

The meeting was adjourned at 10:16 a.m.

Respectfully submitted:

Approved:

Dave Matuskey
Investment Officer

Chris Parker, Chair
Treasury Oversight Committee

cc: Treasury Oversight Committee Members
Department of Finance Staff