



# BUTTE COUNTY INVESTMENT POOL OVERSIGHT COMMITTEE

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Debra Lucero, 2nd District Supervisor, Butte County Board of Supervisors Representative, Chair  
Travis Haskill, BCOE Senior Director of Fiscal Services, Superintendent of Schools Rep., Vice Chair  
Graciela Gutierrez, Butte County Auditor-Controller  
Heather Childs, Chico Area Recreation & Park District – Special Districts Representative  
Susan Watts, OUHSD Assistant Superintendent of Business, School Districts Representative

## MINUTES – April 12, 2022

Attending Members: Debra Lucero, Chair  
Travis Haskill  
Matt Michaelis  
Susan Watts  
Heather Childs

Advisory Members: Troy Kidd, Treasurer-Tax Collector  
Kiley Patterson, Assistant Treasurer-Tax Collector  
Brian Smith, Manager, Finance & Investment, Acting Secretary

### Consent Agenda

- 3.01 The Committee reviewed and approved minutes from the October 12, 2021 IPOC meeting  
Action: Approve Consent Agenda  
M – Lucero S – Childs Motion carried
- 3.02 Receipt and review of Investment Reports for September 2021-March 2022 acknowledged.  
Action: Accept for Information  
Motion carried (as part of same motion to accept Consent Agenda)

### Regular Agenda

- 4.01 Committee Member's Compliance Update; Form 700, Compliance Certification, and Ethic Training
- All members aside from Supervisor Debra Lucero supplied documentation pertaining to the completion of Form 700, Compliance Certification, and Ethic Training. Supervisor Lucero was provided the Compliance Certification form to be signed and returned after the meeting.
- 4.02 Review of Committee By-laws
- No changes to be made at this time.
- M – Haskill S – Childs Motion carried
- 4.03 Election of Officers: Vice Chair – Travis Haskill, nominated by Watts, 2<sup>nd</sup> Childs, Approved 4-0  
Chair – Debra Lucero, nominated by Watts, 2<sup>nd</sup> Childs, Approved 4-0

4.04 Review of Investment Policy to be effective July 1, 2022.

- Review of Investment Policy Changes:
  - Motion to accept changes to add “Auditor Costs” to Method of Apportionment (III,iv); Changing investment and reporting authority title from Supervisor, Banking and Cash Management to Manager, Finance & Investment. (IX, XI).

M – Childs      S – Watts      Motion Carried

4.05 Treasurer's Update

- Troy provided a current economic condition update. Inflation is at 8.5% nationwide, a 40 year high (1981). Fed is reacting by increasing rates .25% with plans an additional 3 to 6 rate hikes in the future. This will drive up long term rates. Short term rates are also increasing. The inverted yield curve has typically been a strong indicator of an impending recession (forecasted into 2023) as well as possible stagflation. Oil is now at \$100/barrel due to multiple economic factors including the crisis in Ukraine. Banks will now be restricting lending criteria, making it more difficult to borrow.
- Kiley attended the Government Investment Officer Association meeting in March 2022. Main topics include inflation, the potential recession, and the Federal Reserve not acting quickly enough to ease the situation. Speakers at this conference predicted 11 interest rate increases. Supply chain issues are also adding to the inflation problem. As of the last meeting, the LAIF interest rate has increased from .21% to .45%. 5 year Treasury notes increased from 1.70% to 2.78%. Kiley purchased \$200 million from the PG&E LAIF funds in 1-2 year securities in March 2022 yielding a blended rate of 1.629%, a 1.299% increase over the March LAIF rate of .33%. These new securities will provide a \$15 million maturity each month beginning March 2023 through February 2024, with \$19.45 million maturing in March 2024.
- Collette Worsham, Supervisor of Banking and Cash Management, retired in December 2021. Her replacement, Brian Smith, Manager, Finance and Investment, was hired in February 2022. Brian provided a brief background of his education and experience. Per Kiley, Brian's title will be changing to Banking and Investment Manager after the comp study is completed in a few months, thus the reason for the update in the Investment Policy.

5.00 The next scheduled meeting is October 11, 2022 in the Auditor-Treasurer Conference room.

5.01 New Business –none

5.02 There being no Public Comment, the meeting adjourned at 8:48 AM.