



BUTTE COUNTY INVESTMENT POOL OVERSIGHT COMMITTEE

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Debra Lucero, 2nd District Supervisor, Butte County Board of Supervisors Representative, Chair
Lisa Anderson, 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 28, 2020

Attending Members: Debra Lucero, Chair
Lisa Anderson, Vice Chair
Graciela Gutierrez
Susan Watts
Heather Childs

Advisory Members: Troy Kidd, Treasurer-Tax Collector
Kiley Patterson, Assistant Treasurer-Tax Collector, Acting Secretary

Consent Agenda

- 3.01 The Committee reviewed and approved minutes from the October 8, 2019 IPOC meeting
Action: Approve Consent Agenda
M – Anderson S – Gutierrez Motion carried
- 3.02 Receipt and review of Investment Reports for October 2019-March 2020 were acknowledged.
Action: Accept for Information
M – Anderson S – Gutierrez Motion carried (as part of motion to accept Consent Agenda)

Regular Agenda

- 4.01 All members completed Form 700 by the filing deadline and most members completed the annual Compliance Certification. Supervisor Lucero and Heather Childs both made a request to have the Compliance Certification resent. Kiley will follow up with each to receive the completed Compliance Certification.
- 4.02 Changes to the Investment Policy to be effective July 1, 2020 included updating the date for the next fiscal year and the addition of word “pooled” to the Purpose section, as well as “pooled” and “on a cash basis” to the Method of Apportionment section to provide transparency.
Action: Approve proposed changes to the Investment Policy for submission to the Board of Supervisors (BOS)
M - Anderson S – Childs Motion carried
- 4.03 Treasurer’s Update – Troy Kidd and Kiley Patterson
- Economic overview provided by Troy Kidd
 - Effects of COVID 19 will be significant. Unemployment rates, reduced sales tax and occupancy tax will affect revenue to Counties and Cities.
 - Feds dropped rates to help the economy, \$2.5 trillion of Federal stimulus received by 8 million people. Banks report 8% of loans have requested forbearance. The ripple effect of COVID will be huge.
 - Butte County kept the April 10th property tax deadline and is fortunate that despite the Camp Fire 97% of property tax collections were received as of April. Governor will likely provide penalty relief for delinquent taxes.
 - Market is currently down 30%. Corporate earnings have declined, unemployment rates and housing are indicating recession numbers similar to the great depression.

- Investment Strategy provided by Kiley Patterson
 - The overall value of the Investment Portfolio has not been directly affected by the COVID 19 market shutdown as the County is prohibited to invest in stocks, although rates for offered securities available for purchase have declined dramatically, which in turn will affect future yield returns.
 - LAIF's October 2019 quarterly rate was 2.17% with March 2020 quarterly rate being 1.71%, with rates continuing to drop. Liquidity is high to take advantage of the large difference between LAIF and long term rates and evaluating market recovery timing.
 - The 5 year Treasury rate is used as a guide to compare investment purchases, since last IPOC meeting, rates have declined from 1.53% to .41%.
 - A 3 year cash flow analysis was conducted to determine cash flow needs. The maturity latter is being adjusted to meet time specific months for cash flow shortfalls. This method of reducing liquidity will capture higher yields in longer term investment opportunities.
- Upcoming PG&E settlement
 - Troy spoke of not knowing the exact timing of the PG&E payout, this will be a significant amount for the BOS to decide how it will be spent. Government code will determine allowable investment options. Funds will be placed in LAIF until direction and timing of proceeds are communicated to the Treasurer office before making longer term investments to maximize return. Kiley mentioned when these PG&E funds are invested, due to the large size of funds, quarterly apportionment returns may temporarily decline as investments pay semiannually. Supervisor Lucero mentioned possible legislation to allow a public bank, named several who are doing Bio Mass and CCA's. "In theory some thought should be given on a state level for these types of investments." Troy mentioned cost of starting a private bank with 8/10 years before becoming solvent as well as regulatory compliance, cannabis money; it's a very complex animal.
- Tracker Investment software being used for Investment Report
 - Kiley spoke to utilizing more features within Tracker to produce the Investment Report. Format was designed to resemble prior Investment report as much as possible.
- Review of contents contained with the Investment Report
 - Kiley opened for discussion to the committee for the removal of items "Under Fiscal Management" that are included within the Investment Report although they are not under the custodian of the Treasurer. It was decided to continue to provide these items.

5.00 The next meeting is scheduled for October 13, 2020 in the Auditor-Treasurer Conference room.

5.01 New Business –none

5.02 There being no Public Comment, the meeting was adjourned at 8:59 AM.