



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 – October 8, 2019

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

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

Consent Agenda

- 3.01 The Committee reviewed and approved the minutes from the June 11, 2019 IPOC Meeting and accept for information receipt of monthly investment report for the months of March 2019-August 2019.
Action: Approve Consent Agenda
M – Anderson S – Gutierrez Motion carried

Regular Agenda

- 4.01 Troy gave a current market update discussing trade concerns and global economic slowdown. Federal Reserve reducing rates making it a good time to borrow, but not a great time to invest. A strong effort is being made to invest as much as we can before rates continue to decline. Kiley discussed the term of negative rates and how other countries are using this technique to penalize “hoarders” of cash by charging them to have money in the banking system in an effort to move money into the economy for growth. Trump is pushing for negative rates for the US, but the Federal Reserve is resisting such a move. Gov’t code prohibits investment in any security that could result in a zero interest accrual if held to maturity. The Treasury department has been busy with issuance and management of several new school bonds as well as receiving fire insurance proceeds from Paradise Unified School District.
- 4.02 Kiley discussed the 18/19 FYE Investment Pool performance and the effect of using LAIF as benchmark. Given the short term investments used by LAIF in a raising rate environment such yields increased faster than yields in the County’s longer term investment ladder. On the flip side, now in a declining rate environment the reverse will occur. With declining rates, availability of 5 yr. non-callable investments are limited. Some callable investments are being purchased to pick up additional yield and if called would also support liquidity needs. The County’s liquidity threshold has increased due to large proceeds from schools bonds. LAIF interest has not been received for September to compute 1st qtr. apportionment. Kiley attended CACTTC conference last week and met with other Asst. Treasures and/or counterparts who manage their County investments, Butte County’s yield is equivalent with other counties. Some good connections were made.
- 4.03 No New business
- 5.01 The next regular IPOC meeting is scheduled for April 14 2020 in the Auditor-Treasurer Conference Room at 8:00 AM
- 6.00 There being no Public Comment, the meeting was adjourned at 8:28 AM.