

BOARD MEETING DATE: April 5, 2024

AGENDA NO. 21

REPORT: Investment Oversight Committee

SYNOPSIS: The Investment Oversight Committee held a hybrid meeting on Friday, March 8, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and file.

Michael A. Cacciotti, Committee Chair  
Investment Oversight Committee

SJ:gp

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### **Committee Members**

Present: Vice Chair Michael A. Cacciotti, Committee Chair  
Supervisor Curt Hagman  
Richard Dixon  
Jill Whynot

Absent: Board Member Veronica Padilla-Campos  
Mayor José Luis Solache

### **Call to Order**

Committee Chair Cacciotti called the meeting to order at 8:02 a.m.

For additional details of the Investment Oversight Committee Meeting, please refer to the [Webcast](#).

### **DISCUSSION ITEMS:**

1. *Quarterly Report of Investments:* Sujata Jain, Chief Financial Officer/Finance, presented the quarterly investment report. Committee Chair Cacciotti asked about the decision regarding the US Treasury Note that matured on February 29, 2024. Ms. Jain explained that staff is working with the Los Angeles County Treasurer to reinvest the funds. For additional information please refer to the [Webcast at 6:53](#).

2. *Financial Market Update*: Richard Babbe, PFM Asset Management, gave a presentation on economic indicators. Mr. Babbe discussed CPI, inflation trends, demands for goods and services, GDP, unemployment, and consumer spending. Mr. Babbe explained that we are past peak interest rates for this cycle and the Federal Reserve is done raising interest rates, but the key question is, when will they start cutting interest rates. For additional information please refer to the [Webcast at 8:58](#).

Supervisor Hagman asked about the regional housing demand and rates. Mr. Babbe discussed several factors including that there has not been a significant turnover in housing stock because homeowners having low mortgages are not willing to sell, mortgage rates remain high, and lack of available land to build near employment areas. Committee Chair Cacciotti also asked for a prediction of the Fed interest rates. Mr. Babbe replied that he expects the Fed to provide indications at its March meeting of possible interest rate cuts in May or June 2024. For additional information please refer to the [Webcast at 27:28](#).

### **ACTION ITEM:**

3. *Approval of Annual Investment Policy and Delegation of Authority to Los Angeles County Treasurer to Invest South Coast AQMD funds*: South Coast AQMD adopts an Annual Investment Policy which, if done, is required to be considered at a public meeting of the Board. The following revision to the Annual Investment Policy was recommended: changes to the *Implementation* to be consistent with the Los Angeles County’s “Delegation of Authority to Invest and Annual Adoption of the Treasurer and Tax Collector Investment Policy.” State law also requires South Coast AQMD to annually renew its delegation of authority to its treasurer, the Los Angeles County Treasurer, to invest or to reinvest funds of the local agency. Staff recommended renewal of this delegation of authority. For additional information please refer to the [Webcast at 33:16](#).

Moved by: Dixon, Seconded by Hagman  
Ayes: Hagman, Dixon, Whynot, Cacciotti  
Noes: None  
Abstain: None  
Absent: Padilla-Campos, Solache

### **OTHER MATTERS:**

4. **Other Business**  
There was no other business to report.
5. **Public Comment Period**  
There were no public comments to report.

**6. Next Meeting Date**

The next regular Investment Oversight Committee meeting is scheduled for Friday, June 14, 2024.

**Adjournment**

The meeting adjourned at 8:33 a.m.