



**SONOMA COUNTY
TREASURY OVERSIGHT COMMITTEE
MINUTES**

August 12, 2024 – 10:00 am

- Members Present: Erick Roeser (ACTTC) (Chair), Peter Bruland (CAO) (alternate for Christina Rivera, CAO), Lynne Rosselli (alternate for Grant Davis, SCWA), Greg Medici (SCOE) (alternate for Amie Carter), and Lisa August (Schools)
- Members Absent: Christina Rivera (CAO), Donna Dunk (Public Member), and Amie Carter (SCOE)
- Also Present: Sarah Lampenfeld (SCOE), David Maurice (ACTTC), Kathleen Parnell (ACTTC), and Paul Cocking

1. CALL TO ORDER

Chair Erick Roeser called the meeting to order at 10:05 am.

2. APPROVAL OF FEBRUARY 14, 2024, MEETING MINUTES

A motion to approve the prior Minutes as presented was made by Lisa August, seconded by Lynne Rosselli

Ayes: 4 Noes: 0 Abstain: 0 Absent: 2

3. APPOINTMENT OF CHAIR & VICE CHAIR

A motion to appointed Erick Roeser as Chair, and Lisa August as Vice-Chair was made by Erick Roeser and seconded by Lisa August

Ayes: 4 Noes: 0 Abstain: 0 Absent: 2

4. CALL FOR ANNUAL EXAMINATION

A motion to appoint Pisenti and Brinker to perform the annual examination was made by Lisa August, seconded by Lynne Rosselli.

Ayes: 4 Noes: 0 Abstain: 0 Absent: 2

5. PRESENTATION & REVIEW OF QUARTERLY REPORT DATED JUNE 30, 2024

David Maurice discussed the performance of the Investment Pool and reviewed the June 30, 2024 Quarterly Report. The Federal Reserve appears to be ready to start reducing the level of Federal Funds, from the 5.25% that they have been for the last year. Inflation has made much progress returning to the Fed's comfort zone of approximately 2%, while employment has remained stable.

The quarterly average yield on the Pool as of June 30, 2024 was 3.53%, up 19 basis points from the quarter ending March 31, 2024. As lower yielding bonds mature and are invested in higher yielding new securities, and as cash inflows from tax collection are also invested in new securities, the overall yield on the Pool is projected to continue to increase to 4.00% by

calendar year-end. The yield on the portfolio should then level off, as fewer low-yielding securities will be maturing, and re-investment opportunities will be less attractive if the Fed does start cutting interest rates.

The market value of the portfolio increased to 98.60% as of June 30, 2024 from 98.31% as of March 31, 2024. Mr. Maurice noted that if the Fed begins to reduce rates, it is likely that the market value of the portfolio will approach par (100%) quickly. While it is possible that the market price of the portfolio could exceed par, this is not currently anticipated because callable securities are likely to be redeemed and invested in lower yielding securities. The “goldilocks scenario” for the Pool is if the Fed reduce interest rates at a measured pace, allowing re-investment into securities with still relatively high yields.

6. REVIEW OF CHANGES TO COUNTY INVESTMENT POLICY

The Auditor-Controller-Treasurer-Tax Collector will be bringing an item to make a small modification to the current IPS. The changes align the language for voluntary and statutory participants regarding withdrawals of investments. The language is tightened around the valuation of the investment at withdrawal, while also giving more flexibility to the Treasurer to manage the process.

7. FUTURE MEETING DATES

Future meetings are currently scheduled for February 19, 2025 and August 18, 2025.

8. PUBLIC COMMENT

There were no members of the public present.

9. ADJOURNMENT

The meeting was adjourned at 10:47 am.

Respectfully submitted,

David Maurice, Investment & Debt Officer