



**SACRAMENTO COUNTY  
TREASURY OVERSIGHT COMMITTEE**  
*Regular Meeting — Friday, May 19, 2017 / 9:00 a.m.*  
700 H Street, Hearing Room One, Room 1487  
Sacramento, California 95814

**MINUTES**

**PRESENT:** Jeremy Edwards, Angelica Hernandez, Ben Lamera, Chris Parker, Brandon Rose, Ronald Seaman, Michael Smith, David Villanueva.

**ABSENT:** Gerardo Castillo.

**STAFF:** Peggy Marti, Dave Matuskey, Joyce Renison, Bernard Santo Domingo, Andy Yu.

**GUESTS:** Thomas Bowen, Karlee Ransom.

**1. CALL TO ORDER AND INTRODUCTIONS.**

Chair Brandon Rose called the meeting to order at 9:04 a.m. Bernard Santo Domingo introduced the new Sacramento County Office of Education appointee, Michael Smith, to the committee.

**2. COMMENTS FROM THE PUBLIC.**

There were no comments from the public.

**3. APPROVAL OF FEBRUARY 17, 2017, MEETING MINUTES.**

*The minutes of the February 17, 2017, meeting were approved as amended on a motion made by Chris Parker, seconded by Ronald Seaman, and carried (7-0) with one abstention.*

**4. DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER ENDED MARCH 31, 2017.**

Andy Yu reported for the quarter ended March 31, 2017, that twelve issues, five of which were new and one of which was external, were reviewed and no instances of non-compliance were found.

*The Internal Audit Of Non-Pooled Investment Funds For The Quarter ended March 31, 2017, was accepted on a motion made by Ronald Seaman, seconded by Ben Lamera, and unanimously carried (8-0).*

**5. DISCUSSION AND ACTION ON THE ANNUAL INDEPENDENT ACCOUNTANT'S REPORT REGARDING INVESTMENT COMPLIANCE REQUIREMENTS FOR THE POOLED AND NON-POOLED INVESTMENT FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016.**

Thomas Bowen of Vavrinek, Trine, Day & Co., LLP presented the *Treasury Oversight Committee Independent Accountant's Report for the Year Ended December 31, 2016*, and noted that no instances of non-compliance were found.

*The Treasury Oversight Committee Independent Accountant's Report for the Year Ended December 31, 2016, was accepted on a motion made by Chris Parker, seconded by Ronald Seaman, and unanimously carried (8-0).*

**6. STATUS REPORT ON MEMBER POSITIONS.**

Dave Matuskey noted that the District 1 public member position is still open and that the terms of the District 3 and District 4 public members expire June 30, 2017. He also noted the appointment of Michael Smith as the Sacramento County Office of Education representative and that an election is underway to determine the schools and community college district representative.

**7. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE NON-POOLED FUNDS PORTFOLIO REPORT FOR THE QUARTER ENDED MARCH 31, 2017.**

Bernard Santo Domingo presented the Quarterly Report of the Non-Pooled Funds Portfolio for the Quarter Ended March 31, 2017.

*The Non-Pooled Funds Portfolio Reports For The Quarter Ended March 31, 2017, was accepted on a motion made by Ronald Seaman, seconded by Ben Lamera, and unanimously carried (8-0).*

**8. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED INVESTMENT FUND FOR THE QUARTER ENDED MARCH 31, 2017, AND COMPLIANCE WITH INVESTMENT POLICY.**

Bernard Santo Domingo presented the Quarterly Report Of The Non-Pooled Funds Portfolio For The Quarter ended March 31, 2017, and Compliance with Investment Policy. He stated that the Pooled Investment Fund was in compliance with the investment policy and California Government Code.

Bernard Santo Domingo provided his economic commentary. He noted that the FOMC raised the fed funds rate 25 basis points on March 15, 2017, and the early forecast was for two more rate hikes in 2017 with the next hike projected for June. He noted that the FOMC is maintaining its focus on employment and inflation.

Mr. Santo Domingo stated that, due to the current money market rates and the yields on maturing investments, he expects the pooled fund yield to continue to rise slowly over the coming quarters.

*The Quarterly Reports of the Pooled Investment Fund For The Quarter Ended March 31, 2017, were accepted on a motion made by Jeremy Edwards, seconded by Chris Parker, and unanimously carried (8-0).*

**9. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR MARCH 2017.**

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – March 2017, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of March 2017, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from June 30, 2016 – March 31, 2017.*

**10. DISCUSSION AND ACTION ON REPORT OF COMPLIANCE WITH GOVERNMENT CODE SECTION 27133(d) AND INVESTMENT POLICY REGARDING STATEMENT OF ECONOMIC INTERESTS**

Bernard Santo Domingo presented the *Limits on Honoraria, Gifts and Gratuities* report and noted that all members of the committee are in compliance with the California Government Code and the Sacramento County Annual Investment Policy.

*The Report of Compliance with Government Code Section 27133(d) and Investment Policy Regarding Political Contributions was accepted on a motion made by Chris Parker, seconded by Ronald Seaman, and unanimously carried (8-0).*

**11. SEPARATE ACCOUNTS FOR POOLED FUND PARTICIPANTS.**

Bernard Santo Domingo stated that pooled fund participants occasionally ask for individual portfolios managed separately from the pooled fund that are invested to their particular cash flow needs. He explained the need to treat all pooled fund participants equally and that, in the absence of statutory authority allowing a pooled fund participant to invest funds outside of the pooled fund, all participant funds must be invested in the pool.

**12. NEXT MEETING REMINDER.**

Chair Brandon Rose reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, August 18, 2017, in the County Administration Center's Hearing Room One, Room 1487.

**13. ADJOURNMENT.**

The meeting was adjourned at 9:59 a.m.

Respectfully submitted:

Approved:

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**Dave Matuskey**  
Investment Officer

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**Brandon Rose, Chair**  
Treasury Oversight Committee

cc: Treasury Oversight Committee Members  
Department of Finance Staff