

**Investment Review Committee
Regular Meeting Minutes
Monday, June 12, 2023**

1. Call to Order

Councilmember Dan Evans called the meeting to order at 5:30 p.m.

2. Roll Call

Committee Members Present: Matt Bedolla, Council Member
 Dan Evans, Council Member
 Ray McCray, City Treasurer
 Midori Lichtwardt, Interim City Manager
 Sara Cowell, Finance Director

Committee Members Absent: None

Staff Present: Robert Harmon, Accounting Manager
 Nancy Verdugo, Accountant
 Shayne Cocolos, Executive Assistant

3. Items from the Audience: Resident Pat Howell questioned why the interest Rates are so low on our funds. Treasurer McCray responded that he would address this question later in the meeting.

4. Approval of the Minutes:

Motion: Councilmember Bedolla made a motion to approve the March 13, 2023, minutes. (January, February, and March FY 23/24)

Second: Councilmember Evans

All in Favor: Interim City Manager, Midori Lichtwardt
 Matt Bedolla, Council Member
 Dan Evans, Council Member
 Finance Director, Sara Cowell
 City Treasurer, Ray McCray

5. Review of 3rd Quarter Treasurer Reports:

January 2023

Reviewed by Nancy Verdugo, Accountant, 03/27/2023
Certified by Ray McCray, City Treasurer, 03/27/2023

February 2023

Reviewed by Nancy Verdugo, Accountant, 04/6/2023
Certified by Ray McCray, City Treasurer, 04/6/2023

March 2023

Reviewed by Nancy Verdugo, Accountant, 05/22/2023
Certified by Ray McCray, City Treasurer, 05/22/2023

City Treasurer McCray provided an overview of the March 2023 Treasurer's Report, which is all-inclusive of the third quarter.

In March 2023, the On Demand Deposits were at \$26,313,441.78 at the end of the second quarter. Treasurer's Investments Market Value was \$413,190,183.99 and Bond Proceeds totaled \$41,517,676.23.

Grand total of all investments was \$481,021,302.00 in Market Value. Treasurer's Pool 86%, Proceeds from Bonds 9%, and On Demand Deposits 5%.

Treasurer Report Highlights:

Treasurer's Investments

- The Wells Fargo Sweep Account - Book Value is \$26,259,135.78 and checking \$54,306.00. This account earns no interest.
- Chandler Asset Management - \$146,108,222.24 Book Value and \$140,984,188.91 Market Value. Average maturity 723 days with an interest rate of 1.79%.
- JP Morgan Securities - \$118,204,415.97 Book Value and \$115,577,063.52 Market Value which is at par. Average maturity 387 days with an interest rate of 1.46%.
- Invesco - \$86,742,588.02 Book Value and \$83,069,198.67 Market Value. Average maturity 796 days with an interest rate of 2.13%
- Local Agency Investment Fund (LAIF) - \$69,403,313.81 with an interest rate of 2.83%
- CAMP - \$4,156,419.08 with an interest rate of 4.80%.
- The average interest rate of the portfolio as of March 2023 was 1.961% with 502 days to maturity.

Proceeds from Covenant Reserves

- Total Bond Covenant Reserves for December is \$41,517,676.23.

Statistical Summary

- The Treasurer reviewed the Statistical Summary. The average interest rate for March was 1.961%. Pooled Investments Interest Earnings net was \$790,080.21.

Tracy Consolidated

- The Treasurer reviewed the portfolio, explained the liquidity of the portfolio, and went over the different types of investments allowed as stated in the City of Tracy Investment Policy that is approved by the City Council. The treasurer also explained the current interest rates received on City funds.

The treasurer stated the reason as to the the current portfolio interest rate lagging the benchmark rates is that it is due to the portfolio duration and the exceptional rise in federal rates over the past 14 months.

Motion: Councilmember Evans made a motion to accept the quarterly treasurer's report

Second: Councilmember Bedolla

All in Favor: Interim City Manager, Midori Lichtwardt
Matt Bedolla, Council Member
Dan Evans, Council Member
Finance Director, Sara Cowell
City Treasurer, Ray McCray

6. Adjournment

Motion to Adjourn: Councilmember Bedolla

Second: Councilmember Evans

All in Favor: Interim City Manager, Midori Lichtwardt
Matt Bedolla, Council Member
Dan Evans, Council Member
Finance Director, Sara Cowell
City Treasurer, Ray McCray

Oppose: None

Adjournment: 6:01 p.m.