



# TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

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**Dan McAllister**  
Treasurer-Tax Collector



## TREASURY OVERSIGHT COMMITTEE

October 9, 2024

### Voting Members Present:

- Seat 1 Dan McAllister, County Treasurer, Ex-officio
- Seat 2 Tracy Drager, County Auditor-Controller, Ex-officio
- Seat 4 Michael Simonson, San Diego County Office of Education, County Superintendent of Schools Representative, Ex-officio
- Seat 5 Dr. Tina M. King, San Diego College of Continuing Education, Community Colleges/Schools Representative
- Seat 6 Kimberly Trammel, SANDAG, Special District Representative
- Seat 7 Gabriel Wisdom, American Money Management, LLC, Public Member (Public Finance expertise)

### Voting Members Absent:

- Seat 3 Ebony Shelton, Deputy Chief Administrative Officer/Chief Financial Officer, Board of Supervisors Representative
- Seat 8 Colleen Harvey, Karl Strauss, CHAIR, Public Member (Public Finance expertise)
- Seat 9 Maria Kachadoorian, City of Chula Vista, Public Member (City Representative)

### County Staff:

Myrna Zambrano, Assistant Treasurer-Tax Collector  
Chris Herrera, Chief Deputy Treasurer, Treasury & Investment Division  
RC Kinzly, Chief Investment Officer, Treasury & Investment Division  
Kevin Foley, Investment Officer, Treasury & Investment Division  
Kevin McManus, Investment Officer, Treasury & Investment Division  
Amparo Chavez, Treasury Accounting Manager  
Sander Franken, Principal Accountant, Treasury & Investment Division  
Kristine Gachalian, Investment Analyst, Treasury & Investment Division  
Ramy Hajjar, Investment Analyst, Treasury & Investment Division  
Lisa MacLarty, Communications Manager  
Morgan Henry, Secretary

### Guests:

Lindsey Zimmerman, Brown Armstrong Accountancy Corporation  
Jayson Schmitt, Chandler Asset Management  
Mia Corral, Chandler Asset Management

Public:

No public attendees

**1. Call Meeting to Order**

Dan McAllister, County Treasurer, called the meeting to order at 1:31 PM in Room 402A in the County Administration Center (CAC).

**2. Requests by Public to Address the Treasury Oversight Committee (TOC) on any Matter within the Committee's Jurisdiction**

No members of the public were present.

**3. Approval of April 10, 2024, Meeting Minutes**

The April 10, 2024 meeting minutes was reviewed and approved by the Committee.

ACTION: Dan made a motion to approve, and Mike seconded the motion. The minutes were approved unanimously.

**4. Fiscal Year 2023-24 Audit and Annual Comprehensive Financial Report Update**

Lindsey Zimmerman, Partner with Brown Armstrong Accountancy Corporation, presented the update on the annual audit for FY 2023-24. They performed all their audit procedures in terms of internal controls as well as compliance audit and happy to report they have no findings thus far. Audit is on schedule to be issued early November.

**5. Economic Update**

Chris Herrera, Chief Deputy Treasurer provided an update on the economy and the market. In September, the Fed reduced the Federal Fund rate by 50 bps to target range of 4.75-5.00%. By December 2025, the market is currently pricing at a reduction rate to approximately 3.5%. The September unemployment rate was 4.1% compared to recent lows of 3.4%. Employment slowing but relatively stable. Consumer Price Index (CPI) increased 2.5% year-over-year in August compared to a peak of 9.1% in June 2022. Gross Domestic Product (GDP) growing annualized rate of 3.0%. The Institute for Supply Management (ISM) Manufacturing index measured 47.2 in September, which is stable from December 2023. Housing market prices are strong, rose 5.9% year-over-year in July. Median homes for single-family detached homes rose to \$1,010,000 in August. Equity market continued positive trend in 2024. US Treasuries yields were volatile YTD, with the 10-year yield currently at 4.03% compared to 3.88% in December. Overall, economic activity is above trend, there is a healthy job market, inflationary trends are subsiding, and rates are expected to continue to fall over the next year.

**6. Portfolio Review**

Richard Kinzly, Chief Investment Officer, presented the key portfolio metrics as of August 2024. The book value was \$13.2 billion which was a \$0.5 billion decrease in book value year-over-year. Decline driven by decrease in bond proceeds. The yield to maturity is 3.65% which was an 18 bps increase in yield year-over-year. The projected pool yield in FY24/25 is 3.50%.

The Weighted Average Maturity increased to 526 days in August 2024 versus 482 days in August 2023.

**7. 2025 Investment Policy Update**

Kevin Foley, Investment Officer, presented the Investment Policy update for 2025. In accordance with its duties, the Treasury Oversight Committee is asked to review and monitor the San Diego County Treasurer's Pooled Money Fund Investment Policy. The Investment Policy is anticipated to be presented for annual approval to the Board of Supervisors on December 10, 2024. There are no significant changes to the 2025 Investment Policy. Kevin went through the edits of the Investment Policy:

1. Minor edits to the wording on page 3 section 3
2. Minor grammar changes to page 4 section 4B
3. Removed extra spaces on page 6
4. Removed the word cash on page 22 section 38C #2

ACTION: Gabriel made a motion and Kimberly seconded the motion. The Investment Policy was approved unanimously.

**8. Proposed 2025 Meeting Schedule**

For 2025, the proposed meetings are April 10, 2025, and October 9, 2025 at 1:30p.

**9. Treasurer's Updates**

Presented by Dan McAllister, Treasurer

- He thanked the staff for their efforts and achieving AAA rating
- We expect to do a seminar early spring and please let us know your suggestions

**10. Adjournment**

The meeting adjourned at 2:11 p.m.

Minutes taken by Kristine Gachalian, Investment Analyst