

CASH MANAGEMENT AND INVESTMENT OVERSIGHT COMMISSION
September 6, 2019
Regular Meeting
Minutes

The one hundred third meeting of the Cash Management and Investment Oversight Commission (CMIOC), a regular meeting, held on September 6, 2019, 10:00 a.m., in the Oasis conference room located at 5005 N. Lincoln Blvd., Oklahoma City, OK.

Roll Call:

Members Present:

Ms. Lynne Bajema, (Chair) State Comptroller, OMES
Ms. Laura Swingle, (Vice-Chair) Business Manager, Securities Commission
Mr. Steven Hawkins, Budget Director, Oklahoma Banking Dept.

Members Absent:

Mr. Thom McGuire, CPA (Ardmore, OK)

Others Attending:

Ms. Andrea Cross, OST
Mr. Charles Hover, OST
Mr. Edward Romero, CLO
Ms. Kiran Nallayahgari, OST
Ms. Lisa Murray, OST
Ms. Lyn Martin-Diehl, Assistant Attorney General
Ms. Stephanie Brown, Committee Secretary, OMES

Item 1

Chair Bajema called the meeting to order. Ms. Brown confirmed the agenda was posted and all other requirements were met according to statute.

Item 2

Ms. Bajema declared a quorum present. Members Present: Laura Swingle, Lynne Bajema and Steven Hawkins.

Item 3

Ms. Bajema moved to approve the minutes of the June 7, 2019 meeting. The minutes were approved as stands.

Item 4

Chair Bajema confirmed that the reports were received from the State Treasurer's office and that a meeting of the Executive Review Committee was not necessary this quarter. No action taken.

Item 6

No action was taken in regards to the Commissioner of the Land Office (CLO) quarterly reports.

Mr. Romero notified the committee of the new CLO agency director, Brandt Vawter. The CLO investment committee has two new members, Cindy Byrd and Bob Marburger.

Item 5

Lisa Murray with the Treasurer's office reported that the bulk of the portfolio as of June 30, 2019 was allocated in 40% mortgage backed securities, 31% in agencies, 16% in treasuries and 10% cash. The yield on the total portfolio was 2.63%, which was 51 basis points higher than twelve month before. The investable base increased by \$1.3 billion from July 2018 to June 2019. The FY19 portfolio interest earnings were 12% higher than estimated, coming in at \$98.4 million. The investment trade summary for FY19 reflected that 111 securities were purchased for a total of \$3.22 billion, in comparison to \$2.27 billion in FY18. There were 23 securities sold during the fiscal year, with 9 of these sales being mortgage backed tail-ends sold to clear nominal positions and 14 agency securities totaling \$350 million were sold due to liquidity needs.

Charles Hover with the Treasurer's office also reported that OST has completed the final large application of the new investment capabilities. The \$7 billion dollar portfolio had a book adjustment of \$35 million dollars. The amortized premium was reduced. This was a timing difference which occurred over 11 fiscal years. The updated system found the booking issue.

Lyn Martin-Diehl stated that the Office of the Attorney General provides counsel to the OST and has been in contact with the State Auditor's office and OST in regards to the adjustment.

Item 7

Ms. Martin-Diehl deferred the discussion of the Treasurer's office records retention until more information is obtained.

Item 8

The following 2020 CMIOC quarterly meeting dates were selected by members of the committee and will be filed with the Secretary of State office according to the Open Meetings Act. All meeting times are at 10:00am and the meetings will be held at the current location of OMES, Oasis Conference Room, 5005 N. Lincoln Blvd., Oklahoma City, OK 73105: March 6, 2020, June 5, 2020, September 11, 2020 and December 4, 2020.

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Item 9

Ms. Bajema announced that the selection of Chair and Vice Chair will be on the agenda for the next quarterly committee meeting.

Item 10

Ms. Swingle notified the committee that Irving Faught, Administrator of the Securities Commission retired and Melanie Hall has been hired as his replacement. Ms. Hall will be at the next CMIO quarterly meeting.

Item 11

Chair Bajema requested a motion to adjourn. Ms. Swingle moved to adjourn the meeting. Ms. Bajema 2nd the motion. All were in favor. The meeting was adjourned.

Chair