

TREASURY OVERSIGHT COMMITTEE MEETING

May 20, 2014

MINUTES

Members Present: Alfred Granzella, Jerome Hatfield, and Chris Learned.

Also Present: Russell V. Watts, Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, and Esther Garibay, Treasurer's Investment Operations Analyst.

Members Absent: Don Bouchet, Bill Clark, Edgar Grubb and Dan Heinrich

Chair Alfred Granzella called the Treasury Oversight Committee meeting to order at 3:05 p.m. Due to lack of quorum, most of the items were not discussed in the meeting.

I. PUBLIC COMMENT

A member from the public was present. Mr. Tarrell Gamble, representing Blaylock Robert Van, LLC, introduced himself and expressed the interest in conducting business with Contra Costa County in the future.

II. CALENDAR YEAR 2013 TREASURY AUDIT

Joanne Bohren, Henriette Browne and Michael Manno were present from the Contra Costa County Auditor-Controller's Office.

Mr. Manno indicated that they have examined the accounts, records, and procedures of the County Treasurer as well as the records and procedures of the Treasury Oversight Committee for the period of January 1, 2013 through December 31, 2013. Based on the results of their audit tests and procedures, they concluded that all Government codes and requirements were being met by the Treasury, that the Treasurer was in compliance with the County Investment Policy, and that existing internal controls ensured the safeguarding of the County's financial assets. There were no audit recommendations.

Ms. Bohren, Ms. Browne and Mr. Manno thanked the Treasury staff for their cooperation and assistance during the audit.

Due to lack of quorum, no motion was called to accept the calendar year 2013 treasury audit report. This item was tabled to the next Treasury Oversight Committee meeting for adoption.

III. RECOGNITION OF REAPPOINTED MEMBERS TO TREASURY OVERSIGHT COMMITTEE

Mr. Watts informed the Committee that the Board of Supervisors of Contra Costa County approved the re-appointment of Mr. Jerome E. Hatfield and Edgar H. Grubb to the Public No. 1 and 2 seats, respectively; and Mr. Alfred Granzella to the Special Districts seat on the Treasury Oversight Committee, all to new four-year terms ending April 30, 2018.

IV. APPROVAL OF FEBRUARY 18, 2014 MINUTES

Mr. Hatfield had one follow up question from last meeting where he had inquired what BTMUFJ and PARFIN securities were. Ms. Zhu explained that they stand for Bank of Mitsubishi UFJ Limited and BNP Paribas Finance Inc., respectively. Ms. Zhu further explained that both securities were sold by PFM on behalf of CCCSIG before the end of last quarter and that is why they don't appear on the report anymore.

Due to lack of quorum, this item was tabled to the next Treasury Oversight Committee meeting for approval.

V. APPROVAL OF MARCH 31, 2014 QUARTERLY INVESTMENT REPORT

This item was tabled to the next Treasury Oversight Committee meeting for approval due to lack of quorum.

VI. EXHIBITS

This item was tabled to the next Treasury Oversight Committee meeting for approval due to lack of quorum.

VII. STANDARD & POOR'S RATING

Ms. Zhu stated that the Standard & Poors rated Contra Costa County investment portfolio (as of 3/31/14) AAAf/S1+ signifying the highest credit quality and the lowest volatility.

VIII. CONTRA COSTA COUNTY TREASURER'S ANNUAL INVESTMENT POLICY FOR FISCAL YEAR 2014-2015

This item was tabled to the next Treasury Oversight Committee meeting for approval due to lack of quorum.

IX. CONTRA COSTA COUNTY TREASURY OVERSIGHT COMMITTEE BYLAWS

Ms. Zhu stated that no changes had been made to the Bylaws and the next annual review of the Bylaws would be conducted at the May 2015 Treasury Oversight Committee meeting.

X. OTHER:

Mr. Hatfield commented on the heightened rules from the Federal Reserve press release dated February 18, 2014 where the final ruling strengthens supervision and regulation of large U.S. Bank Holding companies and foreign banking organizations. Ms. Zhu responded that Federal Reserve's final ruling enhances prudent standards for foreign banking organizations and is viewed positively. Mr. Watts confirmed that he would follow up on this matter and conduct additional research.

XI. NEXT MEETING: TUESDAY, AUGUST 19, 2014

XII. Mr. Granzella adjourned the meeting at 4:00 p.m.

Respectfully submitted,

Esther Garibay
Treasurer's Investment Operations Analyst

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