

TREASURY OVERSIGHT COMMITTEE MEETING

February 17, 2015

MINUTES

Members Present: Bill Clark, Alfred Granzella, Jerome Hatfield, and Dan Heinrich.

Also Present: Brice E. Bins, Chief Deputy Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer and Esther Garibay, Treasurer's Investment Operations Analyst.

Members Absent: Don Bouchet, Edgar Grubb, and Christ Learned

Chair Alfred Granzella called the Treasury Oversight Committee meeting to order at 3:00 p.m.

I. PUBLIC COMMENT

None.

II. APPROVAL OF NOVEMBER 18, 2014 MINUTES

Mr. Granzella called a motion for approval of the minutes. Mr. Heinrich moved, seconded by Mr. Hatfield to approve the November 18, 2014 Treasury Oversight Committee meeting minutes. The motion passed unanimously with ayes from Mr. Clark, Mr. Granzella, Mr. Hatfield and Mr. Heinrich.

III. APPROVAL OF DECEMBER 31, 2014 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the December 31, 2014 Quarterly Investment Report (the Report) to the Committee. The Treasurer's investment portfolio is in compliance with Government Code 53600 et. seq. The Treasurer's investment portfolio is in compliance with the Treasurer's current investment policy. The Treasurer's investment portfolio has no securities lending, reverse repurchase agreements, or derivatives.

As of December 31, 2014, the total par value of the investment pool was \$2,604,735,337.18. The total cost was \$2,607,529,604.08. The market value was \$2,605,701,782.54 which was 99.93% of the cost. More than \$1.3 billion representing about 52% of the portfolio will mature in less than 90 days. The weighted yield to maturity was 0.39% with the weighted average days to maturity of 196 days. The weighted duration was 0.54 year.

Historical activities combined with future cash flow projections indicate that the County is able to meet its cash flow needs for the next six months.

Ms. Zhu presented Page 2, the Contra Costa County Investment Pool report as of December 31, 2014. The market value of the investment pool was up by \$718 million from the previous quarter end, and up by \$183 million from the same quarter end of the previous year. Approximately 85% of the portfolio was managed by the Treasurer's Office and the remaining was managed by the external managers. The market value of \$2.61 billion is deemed the highest since inception of the treasury pool.

At the request of the Committee, we abbreviated the descriptions of some securities in the SunGard report to clearly show callable securities.

IV. EXHIBITS

Ms. Zhu presented Exhibit VI (a) CalTrust Short Term Fund Structured Securities. This report was split into two pages so that all structured securities and the total line can be displayed as discussed in the previous Committee meeting.

Mr. Granzella called a motion for approval of the investment report. Mr. Hatfield moved, seconded by Mr. Heinrich to approve the December 31, 2014 Quarterly Investment Report. The motion passed unanimously with ayes from Mr. Clark, Mr. Granzella, Mr. Hatfield and Mr. Heinrich.

V. DELEGATION OF INVESTMENT AUTHORITY

Ms. Zhu reported to the Committee that Contra Costa County Board of Supervisors had approved a one-year delegation of investment authority to the County Treasurer. Currently this is an annual requirement by Government Code Section 53607. However, an evergreen delegation of authority may be approved later this year and if passed, it will take effect on January 1, 2016.

VI. APPROVAL OF ANNUAL AUDIT

Ms. Zhu requested the Committee to approve an annual audit of Treasury by the Contra Costa County Auditor-Controller for the Calendar Year 2014

Mr. Granzella called a motion for approval of the annual audit. Mr. Heinrich moved, seconded by Mr. Clark to approve the Annual Audit. The motion passed unanimously with ayes from Mr. Clark, Mr. Granzella, Mr. Hatfield and Mr. Heinrich.

VII. FORM 700

Ms. Zhu reminded the Committee that starting this year, Form 700 can be filed electronically as indicated by Stephanie Mello from the Clerk of the Board. The Committee members also have the choice to submit the Form in paper. All paper submissions should be mailed to Ms. Zhu by March 13, 2015. The electronic

submission should be completed no later than March 31, 2015. If filed electronically, the Committee members need to retain their confirmation number for proof of submission.

VIII. TREASURY OVERSIGHT COMMITTEE MEETING DATES FOR CALENDAR YEAR

2015

Ms. Zhu confirmed the Treasury Oversight Committee meeting dates for calendar year 2015 which are set as follows: February 17, 2015; May 19, 2015; August 18, 2015; and November 17, 2015.

IX. OVERVIEW OF GENERAL ECONOMY AND CAPITAL MARKET CONDITIONS

Karen Smith from Wells Capital Management presented an overview of the existing general economy and capital market conditions as well as an outlook of future economy.

X. NEXT MEETING: **TUESDAY, MAY 19, 2015**

Mr. Granzella adjourned the meeting at 4:02 p.m.

Respectfully submitted,

Esther Garibay
Treasurer's Investment Operations Analyst

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