

TREASURY OVERSIGHT COMMITTEE MEETING

August 21, 2018

MINUTES

Members Present: Bill Clark, Donald Bouchet, Stanley Caldwell, Julie Bautista, Edgar Grubb, and Dan Heinrich.

Also Present: Russell Watts, County Treasurer-Tax Collector, Brice Bins, Chief Deputy Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, and Ronda Boler, Executive Secretary. Bob Leete, an appointed Alternate TOC Member was also in attendance.

Members Absent: Dennis Reigle

Donald Bouchet called the Treasury Oversight Committee meeting to order at 3:07 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

1. APPROVE MAY 15, 2018 TREASURY OVERSIGHT COMMITTEE MEETING MINUTES

Mr. Bouchet called a motion for approval of the minutes per the discussion. Mr. Grubb moved, seconded by Mr. Heinrich to approve the May 15, 2018 Treasury Oversight Committee minutes. The motion passed unanimously with ayes from Mr. Bouchet, Mr. Clark, Mr. Caldwell, Mr. Grubb, and Mr. Heinrich. Ms. Bautista was not present at the time of voting.

2. APPROVE JUNE 30, 2018 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the June 30, 2018 Quarterly Investment Report (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 June 30, 2018, the total par value of the investment pool was \$3,749,705,470.41. The total cost was \$3,738,973,278.79. The market value was \$3,734,989,357.63 which was 99.89% of the cost. More than \$3.18 billion, representing about 84% of the portfolio, will mature in less than a year. The weighted yield to maturity was 1.97% with the weighted average days to maturity of 167 days.

The weighted duration was 0.44 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 the Contra Costa County Investment Pool summary report as of June 30, 2018. The market value of the investment pool was up by \$103.5 million compared to the previous quarter end, and was up by \$49.5 million compared to the same quarterly end of the previous year. Approximately 84.5% of the portfolio was managed by the Treasurer's Office while the remaining portion was managed by the external managers. Ms. Zhu stated that at the Committee's request, she separated PFM, the portfolio manager that manages a portion of assets of Contra Costa Community College District (CCCCD) and School Insurance Group (SIG), from Section A. Investments Managed by Treasurer's Office. The PFM investments were placed in Section B. Investments Managed by Outside Contractors starting this quarterly investment report.

In response to the Committee's question, Ms. Zhu indicated that PFM manages the funds in accordance with the applicable Government Code and the specific investment policies approved by the Boards of CCCCCD and SIG. The Committee requested that a copy of the investment policies from CCCCCD and SIG be distributed at its next meeting. Ms. Zhu agreed.

Mr. Bouchet called a motion for approval of the investment report. Mr. Heinrich moved, seconded by Mr. Grubb to approve the June 30, 2018 Quarterly Investment Report. The motion passed unanimously with ayes from Mr. Bouchet, Mr. Clark, Mr. Caldwell, Ms. Bautista, Mr. Grubb, and Mr. Heinrich.

INFORMATION ITEMS

None.

MISCELLANEOUS

1. Staff Report

None.

2. Committee Member Comments

Mr. Clark shared information on the general financial condition of Contra Costa County school districts. Most school districts are struggling financially due to large increases in expenditures outpacing revenues.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, November 20, 2018.

Donald Bouchet adjourned the meeting at 3:53 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary

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