

TREASURY OVERSIGHT COMMITTEE MEETING

August 18, 2020

MINUTES

Members Present: Edgar Grubb, Julie Bautista, Philip Leiber, John Phillips, Dennis Reigle, Stephen Smith, and Paula Troy

Also Present: Russell Watts, County Treasurer-Tax Collector, Brice Bins, Chief Deputy Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, Ronda Boler, Executive Secretary, and Bob Campbell, County Auditor-Controller.

Members Absent: Bill Clark and Christine Rea (Alternate)

Julie Bautista, Vice Chair, called the Treasury Oversight Committee meeting to order at 3:07 p.m.

This meeting was conducted via teleconference as permitted by Executive Order N-29-20 issued on March 17, 2020. The public was invited to join the meeting via Zoom during the scheduled meeting time by contacting the Treasurer's Office at 925-957-2850 prior to the meeting to request the meeting ID and password.

PUBLIC COMMENT

None.

ACTION ITEMS

1. ELECT OFFICERS for FISCAL YEAR 2020-2021

a. Committee Chair:

Bautista called a motion for the vote for Committee Chair for the FY 2020-2021. Grubb moved to nominate Julie Bautista as the new Committee Chair, seconded by Phillips. The motion passed unanimously (Ayes: Grubb, Bautista, Leiber, Phillips, Reigle, and Troy.)

b. Committee Vice Chair

Bautista called a motion for the vote for Committee Vice Chair for the FY 2020-2021. Grubb moved to nominate John Phillips as the new Committee Vice Chair, seconded by Reigle. The motion passed unanimously (Ayes: Grubb, Bautista, Leiber, Phillips, Reigle, and Troy.)

2. APPROVE FEBRUARY 18, 2020 TREASURY OVERSIGHT COMMITTEE MINUTES

It was M/S/C to approve the February 18, 2020 Treasury Oversight Committee minutes. (Ayes: Grubb, Bautista, Phillips, Reigle, and Troy. Abstention: Leiber.)

3. APPROVE JUNE 30, 2020 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the June 30, 2020 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 also 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, 2020, the total par value of the investment pool was \$3,980,596,638.00. The total cost was \$3,973,515,227.17. The market value was \$3,998,000,222.94, which was 100.62% of the cost. More than \$3.15 billion, representing about 79% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.88% with the weighted average days to maturity of 282 days. Historical activities combined with future cash flow projections indicate that the County should be 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, 2020. The market value of the investment pool was up by \$361.4 million compared to the previous quarter end, but was up by \$231 million compared to the same quarter end of the previous year. More than 89% of the investment pool was managed by the Treasurer's Office and the remaining portion was managed by the external managers.

The Treasury Pool generated approximately \$62.6 million of interest earnings for the fiscal year 2019-2020, a decline by \$16 million compared to the previous fiscal year. Due to the negative impact of COVID-19 on the economy, the earnings for the coming fiscal year are projected to decline even further. The yield to maturity as of 6/30/2020 was only 0.88% compared to the yield to maturity of 2.41% just a year ago. We do not anticipate any increase in the interest rate in the near future.

To protect the Treasury Pool from the volatile market and uncertainty as a result of COVID-19, we have constructed a very conservative portfolio by increasing the allocations in T-bills and agency notes, and decreasing the allocation in money market instruments, such as CPs, NCDs/YCDs. Ms. Zhu reiterated that safety of principal is the foremost objective of the investment program as mandated by the California Government Code and the County's Investment Policy.

It was M/S/C to approve the investment report. (Ayes: Grubb, Bautista, Leiber, Phillips, Reigle, and Troy.)

INFORMATION ITEMS

1. None

MISCELLANEOUS

1. Staff Report

Christine Rea recently retired from the County School Districts and Community College of Treasury Oversight Committee. The County School and Community College districts have nominated Glenn Pena, Director, External Business Services, to succeed Christine Rea and serve in the Alternate seat upon confirmation by the Board of Supervisors.

2. Committee Member Comments

None

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, November 17, 2020.

Ms. Bautista adjourned the meeting at 4:05 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary

081820 TOC Minutes_rb