

## TREASURY OVERSIGHT COMMITTEE MEETING

November 17, 2020

### MINUTES

Members Present: Julie Bautista, John Phillips, Bill Clark, Edgar Grubb, Philip Leiber, Dennis Reigle, Paula Troy, Glenn Pena, Stephen Smith, and Larry Fernandes.

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

Members Absent: None

Ronda Boler, Executive Secretary, welcomed members and others present to the virtual Treasury Oversight Committee meeting at 3:00 p.m. Julie Bautista, Chair, called the Treasury Oversight Committee meeting to order.

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. APPROVE AUGUST 18, 2020 TREASURY OVERSIGHT COMMITTEE MINUTES

It was moved by Mr. Clark and seconded by Mr. Reigle to approve the August 18, 2020 Treasury Oversight Committee minutes. The motion passed unanimously with ayes from Bautista, Phillips, Clark, Grubb, Leiber, Reigle, and Troy. No nays were recorded.

2. APPROVE SEPTEMBER 30, 2020 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the September 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 September 30, 2020, the total par value of the investment pool was \$3,282,525,730.92. The total cost was \$3,277,411,288.00. The market value was \$3,297,542,664.54, which was 100.61% of the cost. More than \$2.52 billion, representing about 77% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.73% with the weighted average days to maturity of 287 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 September 30, 2020. The market value of the investment pool was down by about \$698 million compared to the previous quarter end, but was up by \$295 million compared to the same quarter end of the previous year. Approximately 80% of the investment pool was managed by the Treasurer's Office and the remaining portion was managed by the external managers.

Ms. Zhu reiterated that historically the asset level of the Investment Pool at the end of the first quarter of each fiscal year is always the lowest compared by the other quarters due to our payments of a few large expenditures, such as the retirement prepayments, debt service payments, pension obligation bond payments, etc.

The Treasury Pool generated approximately \$7.4 million of interest earnings in the first quarter of fiscal year 2020-2021, a decline by \$3.8 million compared to the previous quarter largely due to decreasing in the interest rate. Due to the negative impact of COVID-19 on the economy, the earnings for the coming quarters are projected to decline even further.

Explaining the portfolio changes during the quarter, Ms. Zhu went over a few Exhibits to the Report and agreed to add the S&P ratings of the securities listed on Exhibit IV (d), the Risk Assessment table.

Mr. Leiber moved, seconded by Mr. Clark to approve the September 30, 2020 investment report. The motion passed unanimously with ayes from Bautista, Phillips, Clark, Grubb, Leiber, Reigle, and Troy. No nays were recorded.

## **INFORMATION ITEMS**

### 1. Standard & Poor's Rating

Ms. Zhu stated that the Standard & Poor's rated Contra Costa investment portfolio (as of 9/30/20) AAf/S1+ signifying the highest credit quality and the lowest risk. The County investment portfolio has received the same credit rating from S&P since November 2007.

### 2. Committee Meeting Dates for Calendar Year 2021

The Treasury Oversight Committee meeting dates for 2021 were distributed to the Committee members.

## **MISCELLANEOUS**

### 1. Staff Report

TOC welcomed Larry Fernandez, the Alternate representing the Board of Supervisors. On September 22, 2020, the Board of Supervisors appointed Paula Troy, the then Alternate, representing the Board on the Treasury Oversight Committee. It created a vacancy in the Alternate seat. On November 17, 2020, Larry Fernandez was appointed by the Board of Supervisors to fill this vacancy.

### 2. Committee Member Comments

None.

## **ESTABLISHMENT OF NEXT MEETING DATE:**

Tuesday, February 16, 2021.

Ms. Bautista adjourned the meeting at 4:07 p.m.

Respectfully submitted,

Ronda Boler  
Executive Secretary

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