

TREASURY OVERSIGHT COMMITTEE MEETING

February 16, 2021

MINUTES

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

Also Present: Russell Watts, County Treasurer-Tax Collector, Brice Bins, Chief Deputy Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, Lulis Lopez, Assistant Tax Collector, Ronda Boler, Executive Secretary, Bob Campbell, Auditor-Controller. Karen Smith, Client Relations Director, Wells Fargo Asset Management.

Members Absent: Julie Bautista, and Glenn Pena, Alternate

Mr. Phillips called the Treasury Oversight Committee meeting to order at 3:05 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

1. APPROVE NOVEMBER 17, 2020 TREASURY OVERSIGHT COMMITTEE MEETING MINUTES

Mr. Grubb moved, seconded by Mr. Leiber, to approve the November 17, 2020 Treasury Oversight Committee meeting minutes. The motion passed unanimously with ayes from Mr. Phillips, Mr. Clark, Mr. Grubb, Mr. Leiber, Mr. Reigle and Ms. Troy. No nays were recorded.

2. APPROVE DECEMBER 31, 2020 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the December 31, 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 December 31, 2020, the total par value of the investment pool was \$4,530,085,471.49. The total cost was \$4,525,820,165.91. The market value was \$4,542,182,409.60, which was 100.36% of the cost. More than \$3.76 billion, representing about 83% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.47% with the weighted average days to maturity of 231 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 December 31, 2020. The market value of the investment pool was up by approximately \$1.32 billion compared to the previous quarter end, and was up by approximately \$735 million compared to the same quarter end of the previous year. More than 82% of the portfolio was managed by the Treasurer's Office while the remaining portion was managed by external managers.

Ms. Zhu informed the Committee that as of December 31, 2020 the net earnings of the Investment Pool for the quarter and the year 2020 were \$5.6 million and \$40.8 million, respectively. The net earnings were down almost 50% compared to the year 2019. The large decline was due to the sharp interest rate cut by the Federal Reserve to combat the negative impact of the unprecedented COVID-19 pandemic on the economy.

Mr. Phillips called a motion for the approval of the investment report. Mr. Phillips moved, seconded by Mr. Reigle to approve the December 31, 2020 Quarterly Investment Report. The motion passed unanimously with ayes from Mr. Phillips, Mr. Clark, Mr. Grubb, Mr. Leiber, Mr. Reigle and Ms. Troy. No nays were recorded.

3. APPROVE ANNUAL AUDIT FOR CALENDAR 2020

Mr. Phillips called a motion for approval of the annual audit of the Treasury for calendar year 2020. Mr. Reigle moved, seconded by Mr. Phillips. The motion passed unanimously with ayes from Mr. Phillips, Mr. Clark, Mr. Grubb, Mr. Leiber, Mr. Reigle and Ms. Troy. No nays were recorded.

INFORMATION ITEMS

1. Overview of General Economy and Capital Market Conditions

A representative from Wells Fargo Asset Management presented an overview of the current general economy and capital market conditions as well as an outlook of the future economy. Wells Fargo Asset Management manages approximately \$44 million of the Pool's assets.

2. Delegation of Investment Authority

Ms. Zhu informed the Committee that the Board of Supervisors approved the annual one-year delegation of investment authority to the County Treasurer in December 2020. Such delegation allows the County Treasurer to invest and re-invest County funds and the funds of other depositors in the County treasury, or to sell or exchange securities so purchased, pursuant to Sections 53607 of the State Government Code.

3. Form 700

Ms. Boler reminded the Committee that the 2020 Form 700 filings are due April 1, 2021. Reminder notices have been e-mailed to all filers. Contra Costa County uses a paperless filing system to file the Form 700. Please file the Form 700 using NetFile Website: <http://netfile.com/filer>. There is no need to print, sign or mail the form when filing online.

MISCELLANEOUS

1. Staff Report

None.

2. Committee Member Comments

None.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, May 18, 2021.

Mr. Phillips adjourned the meeting at 4:19 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary
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