

TREASURY OVERSIGHT COMMITTEE MEETING

November 16, 2021

MINUTES

Members Present: Julie Bautista, John Phillips, Edgar Grubb, Philip Leiber, Denise Porterfield, and Paula Troy.

Also Present: Belinda Zhu, Assistant County Treasurer, Lulis Lopez, Assistant Tax Collector, and Ronda Boler, Executive Secretary.

Members Absent: Dennis Reigle, Larry Fernandes (Alternate), Glenn Pena (Alternate), and Stephen Smith (Alternate).

Ms. Bautista called the Treasury Oversight Committee meeting to order at 3:02 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

1. APPROVE AUGUST 17, 2021 TREASURY OVERSIGHT COMMITTEE MEETING MINUTES

Ms. Bautista called a motion for approval of the minutes. Mr. Grubb moved, seconded by Mr. Phillips to approve the August 17, 2021 Treasury Oversight Committee minutes. The motion passed unanimously with ayes from Ms. Bautista, Mr. Phillips, Mr. Grubb, Mr. Leiber, Ms. Porterfield, and Ms. Troy.

2. APPROVE SEPTEMBER 30, 2021 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the September 30, 2021 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, 2021, the total par value of the investment pool was \$3,884,824,803.26. The total cost was \$3,882,240,090.29. The market value was \$3,886,014,874.14, which was 100.10% of the cost. More than \$3.00 billion, representing about 77% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.36% with the weighted average days to maturity of 322 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, 2021, the market value of the investment pool was down by approximately \$581 million compared to the previous quarter end, and was up by approximately \$602 million compared to the same quarter end of the previous year. In the first quarter of every year, our assets reach their lowest because we pay debt service payments, retirement prepayments and pension obligation bonds. About 83.9% of the portfolio 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 to the other quarters due to payments of a few large expenditures, such as the retirement prepayments, debt service payments, pension obligation bond payments, etc.

Ms. Bautista called a motion for the approval of the investment report. Mr. Grubb moved, seconded by Mr. Phillips to approve the September 30, 2021 Quarterly Investment Report. The motion passed unanimously with ayes from Ms. Bautista, Mr. Phillips, Mr. Grubb, Mr. Leiber, Ms. Porterfield, and Ms. Troy.

INFORMATION ITEMS

1. Client Letter and Press Release from Allspring Global Investments

We received a client letter and press release from our client relationship manager on November 1, 2021 introducing us to Allspring Global Investments, an independent asset management firm. It marks the close of the acquisition of Wells Fargo Asset management by GTCR LLC and Reverence Capital Partners, L.P. Allspring manages approximately \$587 billion in assets with 1400+ employees operating across 18 offices globally. This company is more than 20% employee-owned while Wells Fargo will own a passive 9.9% equity interest.

2. Standard & Poor's Rating

Ms. Zhu stated that the Standard & Poor's rated Contra Costa investment portfolio (as of 9/30/21) AAAs/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.

3. Committee Meeting Dates for Calendar Year 2022

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

MISCELLANEOUS

1. Staff Report

Ms. Zhu reported to the Committee that our office alerted the Department of Information Technology (DoIT) about the Electronic Deposit Permit (EDP) platform disruptions on Friday, October 29, 2021, that impacted the ability to access web services. DoIT has completed the restoration process. The application is available to resume normal business. Our office is working with DoIT closely to make sure all EDP users are able to access the EDP system.

2. Committee Member Comments

None.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, February 15, 2022.

Ms. Bautista adjourned the meeting at 3:52 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary
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