

TREASURY OVERSIGHT COMMITTEE MEETING

February 15, 2022

MINUTES

Members Present: Julie Bautista, John Phillips, Philip Leiber, Denise Porterfield, Dennis Reigle, and Larry Fernandes.

Also Present: Russell Watts, Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, Lulis Lopez, Assistant Tax Collector, Ronda Boler, Executive Secretary and Karen Smith of Allspring Global Investments.

Members Absent: Paula Troy, Glenn Pena (Alternate), and Stephen Smith (Alternate).

Ms. Bautista called the Treasury Oversight Committee meeting to order at 3:03 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

1. APPROVE NOVEMBER 16, 2021 TREASURY OVERSIGHT COMMITTEE MEETING MINUTES

Ms. Bautista called a motion for approval of the minutes. Mr. Phillips moved, seconded by Mr. Leiber to approve the November 16, 2021 Treasury Oversight Committee minutes. The motion passed with ayes from Ms. Bautista, Mr. Phillips, Mr. Leiber, Ms. Porterfield; and Mr. Reigle abstained.

2. APPROVE DECEMBER 31, 2021 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the December 31, 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 December 31, 2021, the total par value of the investment pool was \$4,935,365,830.77. The total cost was \$4,932,465,499.97. The market value was \$4,926,494,309.11, which was 99.88% of the cost. More than \$4 billion, representing about 81% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.34% with the weighted average days to maturity of 274 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, 2021, the market value of the investment pool was up by approximately \$1.05 billion compared to the previous quarter end, and was up by approximately \$405 million compared to the same quarter end of the previous year. The asset value of the Investment Pool reached the historical high of \$4.9 billion. About 85% of the portfolio was managed by the Treasurer's Office and the remaining portion was managed by the external managers.

Ms. Bautista called a motion for the approval of the investment report. Mr. Phillips moved, seconded by Mr. Reigle to approve the December 31, 2021 Quarterly Investment Report. The motion passed unanimously with ayes from Ms. Bautista, Mr. Phillips, Mr. Leiber, Ms. Porterfield, and Mr. Reigle.

3. APPROVE ANNUAL AUDIT FOR CALENDAR YEAR 2021

Ms. Bautista called a motion for the approval of the annual audit of the Treasury for Calendar Year 2021. Mr. Phillips moved, seconded by Ms. Bautista. The motion passed unanimously with ayes from Ms. Bautista, Mr. Phillips, Mr. Leiber, Ms. Porterfield, and Mr. Reigle.

INFORMATION ITEMS

1. Overview of General Economy and Capital Market Conditions

Karen Smith, representative of Allspring Global Investments, an independent asset management firm, presented an overview of the current general economy and capital market conditions as well as an outlook of the future economy. Allspring Global Investments manages approximately \$587 billion in assets with 1400+ employees operating across 18 offices globally. The firm manages approximately \$44 million of the Treasury Pool assets currently.

2. Press Releases: U.S. Bank Completes Acquisition of PFM Asset Management

On December 7, 2021, U.S. Bank announced U.S. Bancorp Asset Management, Inc., a subsidiary, has completed the acquisition of PFM Asset Management LLC (PFMAM). PFM Asset Management will continue to operate as a separate registered investment advisor; more than 250 PFM Asset Management employees joined U.S. Bank. With the acquisition of PFMAM, Wealth Management and Investment Services division of the Bank has combined investment assets under management of more than \$407 billion as of September 30, 2021.

3. Delegation of Investment Authority

Ms. Zhu informed the Committee that the Board of Supervisors approved the annual one-year delegation of investment authority for calendar year 2022 to the County Treasurer in November 2021. 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.

4. Form 700

Ms. Boler reminded the Committee that the 2022 Form 700 filings are due April 1, 2022. Reminder notices will be e-mailed to all filers in February 2022. 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

Ms. Zhu reported to the Committee that Mr. Ed Grubb retired from the Treasury Oversight Committee (TOC) in February 2022. Mr. Grubb has served approximately 22 years of service on the TOC; he was one of the original TOC members appointed to Public Seat #2 originally for a four-year term beginning May 1, 2000 through April 30, 2004.

Ms. Zhu thanked Mr. Grubb for the invaluable suggestions and recommendations he made to our investment policy, the quarterly investment report, and business operations. Mr. Watts thanked Mr. Grubb for more than 20 years of public service with the TOC, and for his near perfect attendance, probably the highest of all the TOC members historically. As the result of Mr. Grubb's retirement, the TOC has one vacancy in Public Seat #2.

2. Committee Member Comments

On behalf of the TOC, Ms. Bautista and Mr. Phillips thanked Mr. Grubb for his years of service on the TOC.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, May 17, 2022.

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

Respectfully submitted,

Ronda Boler
Executive Secretary
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