

TREASURY OVERSIGHT COMMITTEE MEETING

May 17, 2022

MINUTES

Members Present: John Phillips, Philip Leiber, Dennis Reigle, Paula Troy, Glenn Penn Pena, and Kenneth Miller

Also Present: Belinda Zhu, Assistant County Treasurer, Ronda Boler, Executive Secretary, as well as Sandra Bewley, Betty Leong, and Steven Kwok of the Auditor-Controller's Office

Members Absent: Julie Bautista, Larry Fernandes, and Denise Porterfield

Mr. Phillips called the Treasury Oversight Committee meeting to order at 3:01 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

1. APPROVE FEBRUARY 15, 2022 TREASURY OVERSIGHT COMMITTEE MEETING MINUTES

Mr. Phillips called a motion for approval of the minutes. Mr. Reigle moved, seconded by Mr. Leiber to approve the February 15, 2022 Treasury Oversight Committee minutes. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Mr. Reigle, Ms. Troy, and Mr. Pena. No nays were recorded.

2. APPROVE CALENDAR YEAR 2021 TREASURY AUDIT REPORT

Ms. Betty Leong presented the Executive Summary for the audit performed by the Auditor-Controller's Office for the period January 1, 2021 through December 31, 2021. Ms. Leong stated that the auditors had examined the accounts, records, and procedures of the County Treasurer as well as the records and procedures of the Treasury Oversight Committee for the calendar year 2021. Based on the results of the audit tests and procedures, it was concluded that in all material respects, the compliances were met.

Mr. Phillips called a motion for the approval of the annual audit. Mr. Reigle moved, seconded by Ms. Troy to approve the Calendar Year 2021 Treasury Audit Report. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Mr. Reigle, Ms. Troy, and Mr. Pena. No nays were recorded.

3. APPROVE MARCH 31, 2022 QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the March 31, 2022 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 March 31, 2022, the total par value of the investment pool was \$5,000,425,363.51. The total cost was \$4,996,999,718.97. The market value was \$4,947,866,158.35, which was 99.02% of the cost. More than \$3.9 billion, representing about 79% of the portfolio, will mature in less than a year. The weighted yield to maturity was 0.66% 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 March 31, 2022, the market value of the investment pool was up by approximately \$73.9 million compared to the previous quarter end, and was up by approximately \$612.8 million compared to the same quarter end of the previous year. The asset value of the Investment Pool reached the historical high of \$5.0 billion. About 87.8% of the portfolio was managed by the Treasurer's Office and the remaining portion was managed by the external managers.

Mr. Phillips called a motion for the approval of the investment report. Mr. Reigle moved, seconded by Mr. Leiber to approve the March 31, 2022 Quarterly Investment Report. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Mr. Reigle, Ms. Troy, and Mr. Pena. No nays were recorded.

4. APPROVE CONTRA COSTA COUNTY TREASURER'S ANNUAL INVESTMENT POLICY FOR FY 2022-2023

Ms. Zhu stated that each year we conduct a comprehensive review of the Annual Investment Policy (the "Policy") in accordance with California Government Code. The changes made to the Policy largely reflect the changes in the applicable governing laws and regulations, as well as the current practices.

Mr. Phillips called a motion for the approval of the Treasurer's Annual Investment Policy for fiscal year 2022-2023. Mr. Reigle moved, seconded by Mr. Leiber. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Mr. Reigle, Ms. Troy, and Mr. Pena. No nays were recorded.

5. APPROVE AMENDED CONTRA COSTA COUNTY TREASURY OVERSIGHT COMMITTEE BYLAWS

Ms. Zhu stated that we review the Contra Costa County Treasury Oversight Committee Bylaws (the "Bylaws") annually and may make amendments to the Bylaws if necessary. Mr. Phillips called a motion to approve the amended Bylaws. Mr. Reigle

moved, seconded by Mr. Leiber to approve the Treasury Oversight Committee Bylaws. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Mr. Reigle, Ms. Troy, and Mr. Pena. No nays were recorded.

INFORMATION ITEMS

1. Standard & Poor's Rating

Ms. Zhu stated that the Standard & Poor again rated Contra Costa County investment portfolio (as of 3/31/22) is AAf/ S1+ signifying the highest credit quality and the lowest volatility. The County investment portfolio has received the same credit rating from S&P since November 19, 2007.

MISCELLANEOUS

1. Staff Report

None.

2. Committee Member Comments

Mr. Phillips welcomed the newest TOC member, Mr. Kenneth Miller, Alternate representing Contra Costa County Board of Supervisors for a 4-year term. Additionally, Mr. Larry Fernandes started his new 4-year term on May 1st, 2022 representing Public. Mr. Dennis Reigle was approved for a second term representing Public. Mr. Philip Leiber also has been re-appointed to a second term representing Special Districts. Mr. Stephen Smith fulfilled his term as Alternate on the TOC from March 10, 2020 to April 30, 2022. No new appointment has been made by the Special Districts.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, August 16, 2022.

Mr. Phillips adjourned the meeting at 4:07 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary
051722 TOC Minutes_rb