

TREASURY OVERSIGHT COMMITTEE MEETING

February 21, 2023

MINUTES

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

Also Present: Russell Watts, County Treasurer-Tax Collector, Belinda Zhu, Assistant County Treasurer, Ronda Boler, Executive Secretary, Lulis Lopez, Assistant County Tax Collector, and Anthony Melville with Allspring Global.

Members Absent: Paula Troy, Lynn Mackey, and Glenn Pena.

Mr. Phillips called the Treasury Oversight Committee meeting to order at 3:02 p.m.

PUBLIC COMMENT

None.

ACTION ITEMS

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

Mr. Phillips called a motion for approval of the minutes. Mr. Leiber moved, seconded by Mr. Fernandes to approve the November 15, 2022, Treasury Oversight Committee meeting minutes. The motion passed with ayes from Mr. Phillips, Mr. Leiber, Mr. Fernandes, and Mr. Reigle. Ms. Bautista and Mr. Miller abstained. No nays were recorded.

2. APPROVE DECEMBER 31, 2022, QUARTERLY INVESTMENT REPORT

Ms. Zhu presented the December 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 December 31, 2022, the par value of the investment pool was \$5,999,789,533.56. The cost was \$5,969,553,770.04. The market value was \$5,880,279,431.77, which was 98.50% of the cost. More than \$4.7 billion, representing about 79% of the portfolio, will mature in less than a year. The weighted yield to maturity was 3.70% with the weighted average days to maturity of 261 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, 2022, the market value of the investment pool was up by approximately \$1.44 billion compared to the previous quarter end and was up by approximately \$953.8 million compared to the same quarter end of the previous year. The large fluctuation between this quarter and last quarter was due to two reasons: 1) the pool assets at the end of the first quarter of each FY reach to the lowest point due to the payment of several large obligations; and 2) the pool assets at the end of the second quarter of each FY typically reach to the highest point due to tax collections. About 88% 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 Ms. Bautista to approve the December 31, 2022, Quarterly Investment Report. The motion passed with ayes from Mr. Phillips, Mr. Leiber, Ms. Bautista, Mr. Fernandes, Mr. Reigle, and Mr. Miller. No nays were recorded.

3. APPROVE ANNUAL AUDIT FOR CALENDAR YEAR 2022

Mr. Phillips called a motion for the approval of the annual audit of the Treasury for Calendar Year 2022. Ms. Bautista moved, seconded by Mr. Leiber. The motion passed unanimously with ayes from Mr. Phillips, Mr. Leiber, Ms. Bautista, Mr. Fernandes, Mr. Reigle, and Mr. Miller. No nays were recorded.

INFORMATION ITEMS

1. Overview of General Economy and Capital Market Conditions

Anthony Melville, 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.

2. SEC Proposed Money Market Fund Reforms

Anthony Melville, representative of AllSpring Global Investments, an independent asset management firm, presented the SEC Proposed Money Market Fund reforms, which include four key measures, and their broader implications.

3. Delegation of Investment Authority

Ms. Zhu informed the Committee that the Board of Supervisors approved the annual delegation of investment authority to the County Treasurer for calendar year 2023 on December 6, 2022. 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 2023 Form 700 filings are due Monday, April 3, 2023, because April 1st falls on a weekend. Reminder notices were e-mailed to all filers on January 30, 2023. 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.

5. Brown Act Updates Regarding Advisory Body Meeting Requirements

Staff distributed the memo regarding teleconferencing options under the Brown Act for members of County Boards, Commissions, and Committees. According to the memo, attending meetings remotely may continue until the current statewide state of emergency ends on February 28, 2023. Going forward, the TOC meeting will be held in-person.

MISCELLANEOUS

1. Staff Report

The next TOC meeting will be held in person at 625 Court Street, Conf. Room B001, Martinez. Staff alerted the committee members that parking may be an issue due to construction.

2. Committee Member Comments

None.

ESTABLISHMENT OF NEXT MEETING DATE:

Tuesday, May 16, 2023

Mr. Phillips adjourned the meeting at 4:05 p.m.

Respectfully submitted,

Ronda Boler
Executive Secretary
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