



# Monterey County

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

Legistar File Number: 20-304

April 28, 2020

**Introduced:** 4/16/2020

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

### Title

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2020.

### Report

#### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2020.

#### SUMMARY:

Government Code Section 53646 (b) (1) states the Treasurer may submit a quarterly report of investments. The attached exhibits provide a narrative portfolio review of economic and market conditions that support the investment activity during the January - March period, the investment portfolio position by investment type and the investment portfolio by maturity range.

#### DISCUSSION:

The U.S. economy entered the year on a strong footing, however, that deteriorated quickly as the COVID-19 pandemic took hold across the Globe, including the U.S. With a virtual economic shutdown, and a global health crisis at hand, the Federal Reserve responded aggressively by cutting rates at two emergency meetings to the new target range of 0% to 0.25%. Treasury yields plunged in response to the Fed's new zero interest rate policy, with longer-term Treasury yields reaching new historic lows. The immediate impact of the pandemic on global economies made typical economic indicators, most of which are backward-looking, essentially irrelevant.

On March 31, 2020, the Monterey County investment portfolio contained an amortized book value of \$1,814,628,516.77 spread among 187 separate securities and funds. The par value of those funds was \$1,817,425,030.14 with a market value of \$1,814,484,769.93 or 100.0% of amortized book value. The portfolio's net earned income yield for the period was 2.25%. The portfolio produced an estimated quarterly income of \$10,116,975.49 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 278 days. The County Treasury continues to use shorter term debt to provide portfolio liquidity.

The investment portfolio is in compliance with all applicable provisions of state law and the adopted Investment Policy and contains sufficient liquidity to meet all projected outflows over the next six months. Market value pricings were obtained through resources such as Bloomberg LLP, Union Bank of California and live-bid pricing of corporate securities.

#### OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the investment pool and the

Treasury Oversight Committee. In addition, the report will be published on the County Treasurer's website. A monthly report of investment transactions is provided to the Board of Supervisors as required by Government Code 53607.

FINANCING:

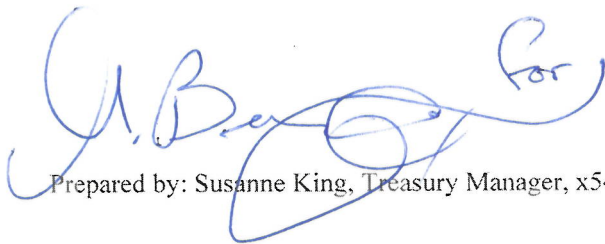
The investment portfolio contains sufficient liquidity to meet all projected expenditures over the next six months. Investment earnings in the General Fund have exceeded budgeted revenue for fiscal year 2019-2020.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

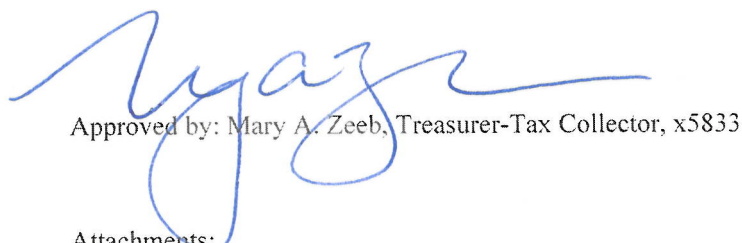
This recommendation supports the Administration initiative by providing transparency and accountability in the management of County funds in the Treasurer's investment portfolio.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety



Prepared by: Susanne King, Treasury Manager, x5490



Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5833

Attachments:

- Exhibit A - Investment Portfolio Review 03.31.20
- Exhibit B - Portfolio Management Report 03.31.20
- Exhibit C - Aging Report 04.01.20

cc:

- Auditor-Controller - Internal Audit Section
- All depositors
- County Administrative Office
- County Counsel

Treasury Oversight Committee