



# Monterey County

**Item No.**

## Board Report

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

**Legistar File Number: 22-340****April 26, 2022****Introduced:** 4/13/2022**Current Status:** Draft**Version:** 1**Matter Type:** General Agenda Item

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2022.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and Accept the Treasurer's Report of Investments for the Quarter Ending March 31, 2022.

### 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 during this period was characterized by the following factors: a strong labor market, inflation at a 40-year high, and depressed consumer confidence. The Russian invasion of Ukraine also impacted the economic landscape by causing commodity prices to soar (particularly those of energy), creating significant geopolitical uncertainty, and triggering market volatility.

The Federal Reserve tightened monetary policy by initiating the first of what is expected to be many interest rate increases in 2022. The Federal Reserve's balance sheet reduction is also likely to begin soon.

On March 31, 2022, the Monterey County investment portfolio contained an amortized book value of \$2,425,854,604 spread among 241 separate securities and funds. The par value of those funds was \$2,419,914,130 with a market value of \$2,371,225,548 or 98% of amortized book value. The portfolio's net earned income yield for the period was 0.40%. The portfolio produced an estimated quarterly income of \$2,375,763 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 505 days. The County Treasury continues to use shorter term debt to provide portfolio liquidity and enhanced investment opportunities.

The investment portfolio follows 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, US Bank, and live-bid

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pricing of corporate securities.

OTHER AGENCY INVOLVEMENT:

A copy of this report will be distributed to all agencies participating in the investment pool. The Treasury Quarterly Reports are also posted 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 appear to be trending somewhat below the CAO's FY 2021-22 budget due to significantly lower yields on investments purchased during the COVID-19 Pandemic.

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

Administration

DocuSigned by:

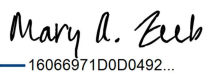


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Prepared by Jake Stroud, Chief Deputy Treasurer-Tax Collector, x5828

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4/14/2022 | 1:25 PM PDT

Approved by Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:

Exhibit A - Investment Portfolio Review 03.31.22

Exhibit B - Portfolio Management Report 03.31.22

Exhibit C - Aging Summary 04.01.22

cc:

Auditor-Controller - Internal Audit Section

All depositors

County Administrative Office

County Counsel