



Legislation Details (With Board Report)

File #: 22-082 **Name:** Treasury Quarterly Investment Report 12.31.21
Type: General Agenda Item **Status:** Passed
File created: 1/13/2022 **In control:** Board of Supervisors
On agenda: 1/25/2022 **Final action:** 1/25/2022
Title: Receive and Accept the Treasurer’s Report of Investments for the Quarter Ending December 31, 2021.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Exhibit A – Investment Portfolio Review 12.31.21, 3. Exhibit B – Portfolio Management Report 12.31.21, 4. Exhibit C – Aging Summary 01.01.22, 5. Completed Board Order Item No. 35

Date	Ver.	Action By	Action	Result
1/25/2022	1	Board of Supervisors	approved	Pass

Receive and Accept the Treasurer’s Report of Investments for the Quarter Ending December 31, 2021.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive and Accept the Treasurer’s Report of Investments for the Quarter Ending December 31, 2021.

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 October-December 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: significant increase in COVID-19 cases with the emergence of the Omicron variant, high inflation and consumer confidence rebounds, and the Federal Reserve doubling its pace of tapering plus planning its interest rate liftoff earlier than first signaled.

The Federal Open Market Committee (FOMC) support began diminishing. While the Federal Funds Target Rate remained at 0%-0.25%, the Federal Reserve’s large-scale asset purchases began to taper.

On December 31, 2021, the Monterey County investment portfolio contained an amortized book value of \$2,483,664,029 spread among 225 separate securities and funds. The par value of those funds was \$2,473,716,071 with a market value of \$2,471,600,788 or 100% of amortized book value. The portfolio’s net earned income yield for the period was 0.42%. The portfolio produced an estimated quarterly income of \$2,371,430 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 503 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 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 at a rate that will meet the FY 2021-22 budgeted total.

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

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

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

Attachments:

Exhibit A - Investment Portfolio Review 12.31.21

Exhibit B - Portfolio Management Report 12.31.21

Exhibit C - Aging Summary 01.01.22

cc:

Auditor-Controller - Internal Audit Section

All depositors

County Administrative Office

County Counsel