



County of Monterey

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

Board Report

File #: 20-860, Version: 1

a. Receive and Accept the Treasurer's Report of Investments for the Quarter Ending September 30, 2020.

It is recommended that the Board of Supervisors:

a. Receive and Accept the Treasurer's Report of Investments for the Quarter Ending September 30, 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 July - September period, the investment portfolio position by investment type and the investment portfolio by maturity range.

DISCUSSION:

During the July - September quarter, the effects of the coronavirus continued to ripple through global economies and financial markets. The Federal Reserve extended its forward guidance regarding zero short-term interest rates through 2023. Some economic indicators were strong and recovered at a faster pace than originally expected, leading various economists to pull forward the expected timeframe for recovery. The U.S. Treasury yield curve remained relatively unchanged over the quarter, with most maturities ending the quarter within 0.05% of where they began.

On September 30, 2020, the Monterey County investment portfolio contained an amortized book value of \$1,922,106,918 spread among 203 separate securities and funds. The par value of those funds was \$1,918,472,919 with a market value of \$1,922,009,718 or 99.9% of amortized book value. The portfolio's net earned income yield for the period was 1.61%. The portfolio produced an estimated quarterly income of \$7,320,942 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 380 days. The County Treasury continues to use shorter term debt to provide portfolio liquidity and enhanced investment opportunities.

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 web site. 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 are expected to meet the budgeted revenue for fiscal year 2020-2021.

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, x5015

Attachments:

Exhibit A - Investment Portfolio Review 09.30.20

Exhibit B - Portfolio Management Report 09.30.20

Exhibit C - Aging Report 10.01.20

cc:

Auditor-Controller - Internal Audit Section

All depositors

County Administrative Office

County Counsel

Treasury Oversight Committee