



TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

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Dan McAllister
Treasurer-Tax Collector



TREASURY OVERSIGHT COMMITTEE

MEETING MINUTES

October 21, 2020

ATTENDANCE

7 Voting Members Present:

- Seat 1 Dan McAllister, County of San Diego Treasurer-Tax Collector
- Seat 2 Tracy Drager, County of San Diego Auditor and Controller
- Seat 3 *Absent*: Tracy Sandoval, Assistant Chief Administrative Officer, Board of Supervisors Rep.
- Seat 4 Michael Simonson, County Superintendent of Schools Representative
- Seat 5 *Absent*: Gregory Ottinger, Community Colleges/Schools Representative
- Seat 6 Andre Douzjian, SANDAG, Special Districts Representative
- Seat 7 Gabriel Wisdom, American Money Management, LLC, Public Member
- Seat 8 Colleen Harvey, CHAIR, Karl Strauss, Public Member
- Seat 9 Maria Kachadoorian, City of Chula Vista, Public Member

County Staff:

Walter De Lorrell, Senior Deputy County Counsel
Kevin Foley, Investment Officer, Treasury and Investment Division
Hank Kim, Chief Investment Officer, Treasury and Investment Division
Lisa Kondrat-Dauphin, Treasury Manager, Treasury and Investment Division
Cameron Urquhart, Investment Officer, Treasury and Investment Division
Lauren Warrem, Chief Deputy Treasurer, Treasury and Investment Division
Myrna Zambrano, Assistant Treasurer-Tax Collector

Guests:

Greg Balls, FHN Financial Main Street Advisors
Mia Corral, Chandler Asset Management
Bill Dennehy, Chandler Asset Management
Ray Major, Chief Economist, San Diego Association of Governments
Rick Phillips, President and Chief Financial Officer, FHN Financial Main Street Advisors
Alaina Sanchez, Brown Armstrong Certified Public Accountants

Public:

No public attendees

1. Call Meeting to Order

Colleen Harvey, Committee Chair, called the meeting to order at 1:35 PM on Microsoft Teams.

2. Request by Public to Address the Treasury Oversight Committee on any Matter within the Committee's Jurisdiction

No members of the public were present.

3. Approval of October 23, 2019 Meeting Minutes

The October 23, 2019 meeting minutes were reviewed and approved by the Committee.

ACTION: Michael Simonson made a motion to approve, and Dan McAllister seconded the motion. The minutes were approved by a 7-0 vote.

4. Audit Update 2019-20 Fiscal Year-End

Alaina Sanchez of Brown Armstrong presented an update for the final reporting stage of the 2019-20 fiscal year-end audit. There were no significant findings. Ms. Sanchez thanked the Treasurer-Tax Collector team for their assistance during the audit process.

5. Fixed Income Market Update

Ray Major, Chief Economist at SANDAG, presented A Look at the San Diego Region through the COVID-19 Pandemic. Job loss has impacted the County's economy, with tourism, retail and education suffering the highest losses. The greatest economic impact has been felt in the restaurant, and entertainment industries with the closure of restaurants, bars, theaters, and theme parks.

6. 2021 Investment Policy Statement Review

Hank Kim, Chief Investment Officer, presented the proposed changes to the 2021 Investment Policy to the Committee for review and approval. The approved policy will be placed before the Board of Supervisors for final approval on December 8, 2020.

ACTION: Michael Simonson made a motion to approve, and Colleen Harvey seconded the motion. The changes were approved by a 7-0 vote.

7. Strategy Update and Portfolio Review

Hank Kim, Chief Investment Officer, updated the Committee on the COVID-19 impact to the County Investment Pool. The County Investment team is working remotely since March. There have been some downward adjustments to some credit maturity limits and there are temporary deferrals in State funding to schools. Overnight liquidity increased from \$275 million to \$475 million.

Cameron Urquhart, Investment Officer, presented the portfolio statistics update. As of September 30, 2020, the book value of the portfolio was \$10.2 Billion, the Weighted Average Maturity was 650 days, and the yield were 1.17%. The credit quality of the pool remains largely unchanged from the prior year and is made up of the highest rated securities by Fitch Ratings. The participant base remains stable as 92.3% of the participants are mandatory and 7.67% are voluntary.

8. Treasurer's Updates

- a. Dan McAllister, Treasurer-Tax Collector, announced that Chandler Asset Management has been selected as the new Investment Advisor.

- b. The County's first-ever virtual Investment symposium will take place on October 29, 2020.
Lauren Warrem

9. 2021 Meeting Schedule

The upcoming 2021 schedule has been set for April 21, 2021 and October 20, 2021.

10. Questions/Comments

The meeting adjourned at 2:33 p.m.

Minutes taken by Donna Gehlken, Administrative Secretary