

SAN MATEO COUNTY
TREASURY OVERSIGHT COMMITTEE

MINUTES

April 15, 2019

1. CALL TO ORDER

The meeting was called to order at 12:06 p.m. by Daneca Halvorson.

2. ROLL CALL

Members and guests were asked to introduce themselves during roll call.

MEMBERS IN ATTENDANCE

Daneca Halvorson (Treasurer, City of Daly City) **Chair**
Sandie Arnott (Treasurer-Tax Collector)
Stephanie Osaze (Finance Manager, Bay Area Air Quality Management District)
Denise Porterfield (Deputy Superintendent Fiscal & Operational Services Division)
Robert Manchia (Budget Director, County Manager's Office)
Helen Fisicaro (Town of Colma)

MEMBERS ABSENT

STAFF IN ATTENDANCE

Tiffany Htwe (Financial Services Manager II)
Gina M. Luiz (Executive Assistant)

MEMBERS OF THE PUBLIC IN ATTENDANCE

Richard Babbe (PFM)
Nancy Jones (PFM)

3. APPROVAL OF MINUTES – January 28, 2019

Robert Manchia made a motion to approve minutes from the January 28, 2019 meeting, seconded by Stephanie Osaze. Meeting minutes were approved unanimously.

4. TREASURER'S REPORT

Ms. Arnott formally introduced Tiffany Htwe, Financial Services Manager II and Nancy Jones and Richard Babbe of PFM. On March 12th, 2019 Ms. Arnott received a retirement notice from Charles Tovstein, CIO. Implementation of an emergency contract previously approved in 2011 by the Treasurer, County Counsel, and PFM allowed the Treasurer's office to set up required accounts and transition the portfolio to PFM effective March 13th for implementation on March 27th. Jeff Rowe is the PFM portfolio manager who oversees the investments that already exist. Internally, the Treasurer's investment department handles the

repo and sweep accounts. An RFP for investment compliance and reporting services will be conducted. Also, a recruitment for an Assistant Treasurer will be announced soon. Ms. Arnott expressed appreciation for PFM assisting with a smooth transition. She thanked Tiffany Htwe and the investment department for helping during the transition.

5. INVESTMENT REPORT

Richard Babbe delivered an overview and introduction of the PFM staff and structure. He noted each PFM client has specific requirements based on their portfolio. PFM has an investment accounting group who track everything and ensure reconciliation. Bank of New York remains the County's custodial bank while PFM provides information and direction. In the interim Laura Fisher of Silicon Valley Consulting Group will handle compliance which was previously handled by PFM.

Mr. Babbe presented the March 2019 Quarter End Report. He reported there is a yield curve inversion and the market is comfortable taking risks. Currently, jobless claims are down, and the housing market is up because interest rates are lower. Mr. Babbe mentioned that the Fed may raise rates in 2020. He stated that Jeff Rowe and others at PFM are looking for value and watching the market. He stated the gross earnings for the month ending March 31, 2019 were 2.505% and the gross earnings for the quarter ending March 31, 2019 were 2.463%.

6. ORAL COMMUNICATION AND PUBLIC COMMENT

None

7. OTHER BUSINESS

None

8. NEXT MEETING DATE

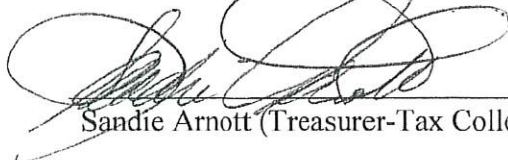
Monday, October 28, 2019

9. ADJOURNMENT

The meeting was adjourned at 12:45 p.m.



Daneca Halvorson (Chair)



Sandie Arnott (Treasurer-Tax Collector)