

SAN MATEO COUNTY
TREASURY OVERSIGHT COMMITTEE

MINUTES

May 24, 2021

1. CALL TO ORDER

The meeting, via Zoom, was called to order at 12:03 p.m. by Daneca Halvorson, Chair.

2. ROLL CALL

Members and guests were asked to state "present" as their name was announced 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)
Helen Fiscaro (Town of Colma)
Iliana Rodriguez (San Mateo County Manager's Office)
Denise Porterfield (Deputy Superintendent Fiscal & Operational Services Division)
Virginia Chang Kiraly (San Mateo County Harbor District and Menlo Park Fire Protection District Board)

MEMBERS ABSENT

Connie Mobley-Ritter (Director, Treasury - San Mateo County Transit District)

STAFF IN ATTENDANCE

Tiffany Htwe (Investment & Finance Officer)
Gina M. Luiz (Executive Assistant)

MEMBERS OF THE PUBLIC IN ATTENDANCE

Ken Schiebel (PFM)
Richard Babbe (PFM)
Nancy Jones (PFM)

3. APPROVAL OF MINUTES – February 1st, 2021

Iliana Rodriguez made a motion to approve minutes from the February 1st, 2021 meeting, seconded by Helen Fiscaro. Meeting minutes were approved unanimously.

4. TREASURER'S REPORT – Sandie Arnott, Treasurer-Tax Collector

The investment pool continues to perform very well, and the pool reached \$7 billion in April compared to \$4.9 billion in 2017. Ms. Arnott announced that an Investment Pool 101 class will be offered to pool participants during the first quarter of 2022. Also, during the recent San Mateo County Board of Directors meeting it was announced that the County is AAA rated through Moody's and S&P.

Ms. Arnott welcomed Virginia Chang-Kiraly as the newest member of the Treasury Oversight Committee. Ms. Chang-Kiraly's nomination to the Treasury Oversight Committee was approved by the San Mateo County Board of Supervisors on March 23rd, 2021, and she was sworn in by Ms. Arnott on May 24th, 2021. Ms. Chang-Kiraly is the Director of the Menlo Park Fire Protection District Board and Commissioner of the San Mateo County Harbor District. Ms. Chang-Kiraly has a background in finance. Prior to her board involvement she was a Senior Director for the Nasdaq Stock Market where she worked with client development and management. Ms. Chang-Kiraly stated she is looking forward to being a part of the Treasury Oversight Committee.

5. INVESTMENT REPORT – Tiffany Htwe, Investment & Finance Officer and Ken Schiebel, PFM

Tiffany Htwe reported there is \$1.9 million in the short-term portfolio that is managed internally by the San Mateo County Treasurer's Office. According to the cash flow report, the Investment Pool is in good shape with sufficient funds. The majority of earnings are leaning on the long-term investment part of the portfolio managed by PFM.

Ken Schiebel from PFM provided a market update on the market and economy conditions. COVID-19 caseloads have decreased in the United States, and that is helping the economy as restaurants and retail reopen. In the first quarter of this year there was 6.4% economic growth. The second quarter is likely to see economic growth as high as 8% or 9% which would be the strongest growth since 1984. The economy is benefiting from the monetary stimulus by the Federal Reserve, the fiscal stimulus from the CARES Act, the \$900 billion relief package that was passed in December 2020, and the additional American Rescue Plan Act that was passed in March of this year. Mr. Schiebel noted one concern is that this could trigger inflation. The reported inflation numbers are higher compared to last year at the beginning of the pandemic. He also commented that consumer confidence has rebounded, and there is a steepening yield curve which reflects the optimism of recovery.

Mr. Schiebel reported on San Mateo County's long-term portfolio managed by PFM. He noted that the long-term portfolio is just over \$5 billion which is a near record high. A longer-term portion of the portfolio is invested in higher yields for higher return potential. This strategy was implemented in 2019 by PFM, and it worked out well because a lot of the funds were invested prior to the pandemic when yields fell. There is high credit quality and broad diversification in the portfolio.

6. ORAL COMMUNICATION AND PUBLIC COMMENT


None

7. OTHER BUSINESS

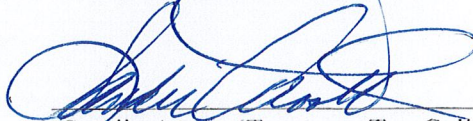
Denise Porterfield announced she is leaving the San Mateo County Office of Education on August 1st and will inform us of her replacement. Ms. Porterfield also announced that Margie Gustafson is retiring at the end of September from the San Mateo County Office of Education. Ms. Arnott thanked Ms. Porterfield and Ms. Gustafson for serving on the Treasury Oversight Committee.

8. ADJOURNMENT

The meeting was adjourned at 12:29 p.m.



Daneca Halvorson (Chair)



Sandie Arnott (Treasurer-Tax Collector)