



**Contra
Costa
County**

To: Board of Supervisors
From: Russell Watts, Treasurer-Tax Collector
Date: March 30, 2021

Subject: WELLS CAP INVESTMENT MANAGEMENT AGREEMENT AND WELLS FARGO CUSTODY AGREEMENT 2021

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Treasurer to 1) terminate the Investment Management Agreement ("IMA"), dated March 30, 1993 between Contra Costa County and Wells Fargo Bank, N.A.; 2) enter into a new IMA with Wells Capital Management Inc. to replace the IMA dated March 30, 1993; 3) enter into a Custody Agreement with Wells Fargo Bank, N.A. establishing a custody account for the assets managed by Wells Capital Management Inc.; and 4) submit an Authorized Signers Certification to Wells Fargo Bank, N.A.

FISCAL IMPACT:

Service fees and costs will be paid out of the investment revenues made from the portfolio managed by Wells Capital Management Inc. on the County's behalf.

BACKGROUND:

The County entered into an Investment Management Agreement with Wells Fargo Bank, N.A. on March 30, 1993 to manage a portion of assets of County's Treasury Pool. Currently, Wells Capital Management, Inc., an investment management subsidiary of Wells Fargo Bank, N.A. manages approximately \$44 million assets on behalf of the County.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/30/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 30, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Ronda Boler, (925)
957-2806

cc:

Given the existing IMA has been

BACKGROUND: (CONT'D)

in place for about 28 years, many terms and conditions are outdated. A proposed new IMA has been negotiated, which is more comprehensive than the existing one and includes provisions that reflect existing laws, regulations, and industry practice. The IMA also includes a mutual indemnification clause.

The County funds managed under the IMA are to be maintained by a custodian, Wells Fargo Bank, NA, under a separate Custody Agreement. The Custody Agreement contains a clause whereby the County indemnifies the custodian and agrees to waive the custodian's liability for damages.

As part of the account set-up, the County must submit a certification of authorized signers for the custodian-managed account, which authorizes certain individuals to take actions with respect to the account.

CONSEQUENCE OF NEGATIVE ACTION:

If a new IMA and Custody Agreement are not entered into, the parties will operate under out-of-date provisions and the fee schedule for services will not be reduced.