Presentation from Seidner & Company, and County Deputy Treasurer regarding the county’s Investment Portfolio, and County Treasurer’s Investment Guidelines.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

Semi-annual report from Seidner & Company and the County Treasurer’s Office. Annual presentation of the Treasurer’s Investment Guidelines as per government code.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1. Report from Seidner & Company is for information and statistical review.
2. Presentation of Treasurer’s Investment Guidelines are required by Government Code.

COSTS: ( ) Not Applicable
A. Budgeted Current FY $ $ __________________________
B. Total Anticipated Costs $ __________________________
C. Required additional funding $ _______________________
D. Internal Transfer $ _________________________________

SOURCE: ( ) 4/5ths Vote Required
A. Unanticipated Revenues $ __________________________
B. Reserve for Contingencies $ _________________________
C. Source Description: _______________________________
Balance left in Reserve for Contingencies, if approved: $ __________________________

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively.

1. Information prepared by Seidner & Co.
2. Information prepared by Treasurer’s Staff
3. Draft of Investment Guidelines

CLERK’S USE ONLY:
Res. No. 97-23
Ord. No. __________________________
Vote: Ayes: __________________________
Noes: __________________________
Absent: __________________________
( ) Approved
( ) Denied
( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: __________________________
ATTEST: __________________________

Margie Williams, Clerk of the Board
By: __________________________

Deputy

ADMINISTRATIVE OFFICER’S RECOMMENDATION:
This item on agenda as: __________________________
Recommended
Not Recommended
For Policy Determination
Returned for Further Action

Comments: __________________________

C.A.O. Initials: __________________________
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO:        DON Z. PHILLIPS, Treasurer
FROM:      MARGIE WILLIAMS, Clerk of the Board
SUBJECT:   COUNTY’S INVESTMENT PORTFOLIO AND TREASURER’S GUIDELINES; RES. 97-43

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on February 4, 1997

ACTION AND VOTE:

10:19 a.m. Don Z. Phillips, Treasurer;
Presentation by Seidner & Company and by Deputy County Treasurer (Investment Officer) Regarding County’s Investment Portfolio and Treasurer’s Guidelines
BOARD ACTION: Alan Seidner and Joan West/Seidner & Company, presented report and responded to questions. Discussion was continued for the following hearing to be opened and continued.

Further discussion was held concerning the County’s investment portfolio. Marian Spacke, Investment Officer, provided input. Supervisor Parker requested information for 1996 costs for consultant services to the County and more detailed information on the investments. Alan advised that he will work with the Treasurer to provide the requested information within the next couple of weeks, and will provide updates in future reports to the Board. Discussion was held relative to the proposed guidelines. (M)Pickard, (S)Parker, Res. 97-43 adopted approving the Treasurer’s Investment Guidelines/Ayes: Balmain, Stewart, Parker, Pickard; Excused: Reilly.

cc:        Janet Hogan, County Administrative Officer
           Ken Hawkins, Auditor
           File
INVESTMENT POLICY/GUIDELINES
TREASURER
COUNTY OF MARIPOSA

I. INVESTMENT POLICY OBJECTIVE
   A. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control. Sec. 53600.5 of the Gov't Code.
   B. Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to law, are trustees and therefore fiduciaries subject to the prudent investor standard. Sec. 53600.3 of the Gov't Code.

II. ELIGIBLE INVESTMENTS
   A. Eligible investments are those instruments that are outlined in Section 53601 of the Gov't Code.
   B. Surplus money in the treasury not required for the immediate necessities of the local agency may be invested as deemed wise or expedient in those investments set forth by law. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or non registered format, shall require delivery of the securities to the local agency, as specified in section III (B) of these guidelines.
   C. In accordance with law, the County Treasurer will not invest in instruments as outlined in Sec. 53601.6 or Sec. 53631.5 of the Gov't Code.

III. SAFEKEEPING ACCOUNT
   A. Investments for safekeeping shall be in accordance with Sec. 53601 of the Gov't Code. No investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. Sec. 53601 of the Gov't Code.
   B. Securities purchased should be delivered against payment and held in a custodian/safekeeping account at the approved safekeeping bank. Section 53601 of the Gov't Code.
IV. INVESTMENT RESPONSIBILITY
A. Overseeing investments for Mariposa County is the responsibility of the County Treasurer. This responsibility includes the authority to:
   1. Monitor the investment advisor/manager
   2. Open accounts with brokers, banks and dealers.
   3. Establish the safekeeping accounts or other arrangements for the custody of securities.
   4. The execution of all necessary documents for the above.
B. As authorized by the board of supervisors the county treasurer has authority to invest or reinvest the funds of the county and the funds of other depositors in the county treasury. Sec. 53600 of the Gov't Code.
C. As specified in Section 27137 of the Government Code, nothing in this article shall be construed to allow the county treasury oversight committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

V. REPORTING
A. The County Treasurer shall annually prepare and submit to the governing board and to the treasury oversight committee, a written statement of investment policy which shall be considered by the legislative body at a public meeting. Sec. 16481.2 of the Gov't Code.
B. As required, the Treasurer shall render a quarterly report to the CAO, Auditor, and the Board of Supervisors, containing detailed information on all securities, investments, and moneys of the local agency, a statement of compliance of the portfolio to the investment policy, and a statement of the local agency's ability to meet its pool's expenditure requirements for the next 6 months. In addition, the Treasurer shall report whatever additional information or data may be required by the board. Sec. 53646 of the Gov't Code.

VI. REVIEW AND/OR MODIFICATION
Current law requires the board of supervisors in each county or city and county that is investing surplus funds to establish a county treasury oversight committee with specified membership who meet certain qualifications. This would require the county treasurer, in any county that establishes the committee, to annually prepare an investment policy with prescribed contents that would be reviewed and monitored by the committee and would require the committee to conduct an annual audit to determine the county treasury's compliance with the policy. Adoption of this policy would then delegate to the county treasurer the authority to invest or reinvest the funds of the county and the funds
of other depositors in the county treasury. The county treasurer would then be required to assume full responsibility for those transactions. Current law specifies that the county treasurer is a trustee and a fiduciary subject to the prudent investor standard, and would specify the objectives for investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds. The law also applies the same standards to other local officials and governing bodies investing public funds. Sec. 53600 of the Gov't Code.

Approved by the Board of Supervisors

[Signature]
Robert C. Stewart, Chairman  Date: 3-11-97

Approved as to legal sufficiency

[Signature]
Jeffrey Green, County Counsel  Date: 3-10-97

ATTEST:

Margie Williams, Clerk of the Board

[Signature]
By: Margie Williams  Date: 3-11-97

Deputy