



## Agenda Submittal

**Agenda #:** 3 **Status:** Consent Calendar  
**Type:** Resolution **Department:** Treasurer-Tax Collector-County Clerk  
**File #:** 20-341 **Contact:** Charles Lomeli, 784-3419  
**Agenda date:** 5/5/2020 **Final action:** 5/5/2020  
**Title:** Adopt a resolution to renew the annual delegation of investment authority to the County Treasurer and approve the proposed County Investment Policy; and Adopt a second resolution to approve the proposed County PARS 115 Trust Investment Policy  
**Governing body:** Board of Supervisors  
**District:** All  
**Attachments:** 1. A - Investment Policy Resolution, 2. B - PARS 115 Policy Resolution, 3. C - Investment Policy 2020, 4. D - PARS 115 Policy 2020, 5. E - Investment Policy Redline, 6. F - PARS 115 Policy Redline, 7. Adopted Resolution - Investment Policy, 8. Adopted Resolution - PARS 115 Policy, 9. Minute Order

Date	Ver.	Action By	Action	Result
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5/5/2020 1 Board of Supervisors

Published Notice Required? Yes ☐ No ☒

Public Hearing Required? Yes ☐ No ☒

### DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors adopt the resolution renewing its annual delegation of investment authority to the County Treasurer for FY2020/21 and approve the proposed Investment Policy. It is further recommended that the Board of Supervisors adopt the resolution to approve the proposed PARS 115 Trust Investment Policy.

### SUMMARY/DISCUSSION:

California Government Code section 27000.3 provides that the Board of Supervisors is the agent of the County that serves as a fiduciary and is subject to the prudent investor standard for the County Investment Pool unless an annual delegation of authority has occurred pursuant to Government Code section 53607. Section 27000.1 permits the Board to delegate to the County Treasurer the authority to invest funds in the County Treasury for a period of one year. When such a delegation occurs, the County Treasurer and not the Board of Supervisors serves as the fiduciary and is subject to the prudent investor standard.

On February 10, 2015 this Board acted to adopt Resolution 2015-21 establishing the PARS 115 Pension Trust (Trust). The Trust is to be used exclusively to fund contractual obligations to provide pension benefits. This Board also delegated to the Treasurer investment authority for the Trust. While not mandated, in keeping with the tenets of Section 27000.1, the Treasurer is requesting an annual reaffirmation of the delegation and investment policy as a means of providing transparency.

### Background

Retirement trust funds have different objectives and statutory prohibitions than the County Treasurer's Pool and therefore require a separate investment policy that is reflective of those differences. The purpose of these funds requires staff to manage the funds to a risk profile unique from the investment pool.

These differences include an ability to purchase and hold equities, private placement securities, and fixed income investments whose risk profiles are greater than those found in a cash management pool such as the Treasurer's Pool. Since these funds will be held for a greater length of time and with a more predictable cash flow need they can be invested in securities that provide the potential for a greater return on investment that might otherwise be achievable.

#### **FINANCING:**

The preparation cost of this report is included in the Treasurer's annual appropriations. The full cost of operations for the Treasurer's Office is paid from investment earnings of the Treasury pool, which is allocated to all pool participants proportionately to their share of the pool investments. The General Fund share in the investment pool is approximately 12%.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2019/20 Adopted Budget.

#### **ALTERNATIVES:**

The Board may choose not to renew the delegation of authority to the Treasurer and choose instead to keep the investment responsibilities and serve as fiduciary. The Board could elect to make changes to either of the proposed policies.

#### **OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed the policies.

#### **CAO RECOMMENDATION:**

APPROVE DEPARTMENTAL RECOMMENDATION