



Legislation Text

File #: 22-1158, **Version:** 1

Treasurer-Tax Collector Department recommending the Board approve the El Dorado County 2022 Investment Policy with modifications, revisions and additions.

FUNDING: N/A

DISCUSSION / BACKGROUND

In the interest of transparency, good governance and pursuant to Government Code §53601 et seq., the El Dorado County Treasurer-Tax Collector Department maintains an Investment Policy. This Policy provides guidelines and procedures for investing, reinvesting and withdrawals of public funds and ensures the Treasury remains in compliance with said Government Code. Additionally, the Policy provides direction regarding reporting such that the County adheres to the before-mentioned Government Code requirements. The Treasurer-Tax Collector Department no less than annually reviews the County Investment Policy.

Substantive changes to the Policy in 2022 are listed below:

1. Added Attachment I - Authorized Investments: Imbedded in the text of the current Policy, this table has been enhanced with the following:
 - ☐ Added column "Authorized by CA Gov. Code" for reference
 - ☐ Changed title of last column to "Minimum Credit Requirement" for clarity
 - ☐ Retitled some existing authorized investments for clarity
 - ☐ Added new investment type: "Supranational Obligations."
2. Added Attachment II - Glossary of Investment Terms: New section of common investment terms and definitions, added for reference.
3. Revised Purchase Restrictions for U.S. Federal Agency or U.S. Government-Sponsored Enterprise (GSE) obligations to remove the limit requiring that no more than 25% of the portfolio be held in any one Federal Agency (9; Attachment I). Per Gov. Code section 53601 (f), no purchase restrictions are required, and this restriction is not included in the recommended revised policy. All other restrictions, as listed in the 2021 Investment Policy, remain unchanged.
4. Enhanced provisions for Investment Pool participants when making large withdrawals from the Treasury, adding specific withdrawal dollar tiers (23.1). Currently, a written notification is required for withdrawals, but the policy is silent on the advance notice needed for large withdrawal amounts. The notification requirements for specific withdrawal tiers add additional assurance that the Treasury can provide for immediate cash flows, mitigate impact of the large withdrawal, and therefore, protect the interest of the pool participants.
5. Reorganized and extensively enhanced content, included addition of Table of Contents, for clarity throughout the document. These changes are presented for Board of Supervisor's approval in advance of submission of the Policy to the California Municipal Treasurers'

Association for certification. The benefits of certification by a professional organization within California builds and supports trust, confidence and verification to your Board, as well as to the public, for administrative transparency and demonstrates due diligence in crafting the County Policy provisions.

ALTERNATIVES

The Board of Supervisors could decide not to approve these modifications. If so, the current Investment Policy would continue.

PRIOR BOARD ACTION

The Board approved the current Investment Policy on August 24, 2021.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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