



## Legislation Text

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**File #:** 23-1482, **Version:** 1

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Treasurer-Tax Collector Department recommending the Board approve the El Dorado County 2023 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 ("Gov. Code") requirements. The Treasurer-Tax Collector Department no less than annually reviews the County Investment Policy.

Substantive changes to the Policy in 2023 are listed below:

1. Table of Contents - Page numbers have been updated.
2. Section 8 - Removed language: "and have at least one major office in California" from the Authorized Broker- Dealer requirements, because this is not a requirement in the law, and current language limits the Broker- Dealers with whom the County may transact.
3. Section 17 - Changed "purchase date" to "settlement date" to reflect the changes to Gov. Code §53601.
4. Section 17 - Added wording from Gov. Code §53601.
5. Section 20 - Changed reporting period from 30 to 45 days to match Gov. Code §53646(b)(1) "The quarterly report shall be so submitted within 45 days following the end of the quarter covered by the report."
6. Attachment I - Added the investments below, which are allowed under the law referenced in the investment table.
  - Asset-Backed Securities
  - Asset-Backed Commercial Paper
7. Attachment I - Changed the percentage of maximum allowable for domestic commercial paper from 25% to 30%. Staff reviewed other counties' investment policies and determined that we could increase the maximum percentage of the portfolio while remaining compliant with the law by investing no more than 40 percent of the pool. (Gov. Code §53601(h).) This law applies to both Domestic Commercial Paper and Asset-Backed Commercial paper.
8. Attachment I - Removed the "\$75MM (million) limit" purchase restriction from LAIF and

replaced it with “Cap per State Treasurer” based on Gov. Code §16429.1(a)(b)(d). This allows for a fluid amount if the State changes the LAIF limit.

9. Attachment I - Removed “CAMP & CalTRUST” from the Joint Powers Authority (JPA) section in order to allow the County to invest in all JPAs authorized by State law.
10. Attachment I - Changed investment limitation on JPA’s from “2X LAIF” to “No more than 10% of the total fund per JPA pool restrictions” based on Gov. Code §53601(p).
11. Attachment I - \*\*\* Footnote - updated the description of the JPA section to reflect the updates to the investment requirements (e.g. removed CAMP & CalTRUST references.)
12. Attachment II - Investment Terms. No changes were made at this time.

## **ALTERNATIVES**

The Board of Supervisors could decide not to approve these modifications. If so, the current Investment Policy would be out of compliance with State law.

## **PRIOR BOARD ACTION**

The Board approved the current Investment Policy on August 16, 2022. (Legistar #22-1158)

## **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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