



County of Yolo

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CLYDE K. BROOKER
TREASURER
TAX COLLECTOR

To: Honorable Tom Stallard, Chairman and Members of the Board of Supervisors

From: Clyde K. Brooker, Treasurer-Tax Collector 

Date: April 16, 1996

Subject: County Treasurer Oversight Committee

RECOMMENDATION:

1. Establish, by minute order, the Yolo County Treasury Oversight Committee pursuant to Government Code 27120 and following..
2. Fix terms of the Yolo County Treasury Oversight Committee as one year beginning April 16, 1996, or until a replacement is confirmed by the Board of Supervisors.
3. Confirm Individuals Nominated by the County Treasurer for Membership on the County Treasury Oversight Committee as follows:
 - Frank Sieferman, representing the Yolo County Board of Supervisors
 - Elizabeth Zemmels, Ed.D., County Superintendent of Schools
 - Jim Sweeney, representing the School Districts in Yolo County
 - Sally M. Franchi, Yolo County Auditor-Controller
 - James R. Dean, representing the Special Districts in Yolo County
 - Thomas G. Eddy, Public Member
 - Dr. George Bittlingmayer, Public Member

REASONS FOR RECOMMENDED ACTION:

Government Code Section 27130 and following, requires establishment of a county treasury oversight committee in any county investing surplus funds

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BACKGROUND:

As a result of investment losses in Orange County, legislation was advanced by the County Treasurers Association and co-sponsored by CSAC in the hopes of preventing future losses of public money. A cornerstone of that effort is the requirement for creation of an oversight committee in each county to monitor the investment activity of the county treasurer.

The process for creation of the Treasury Oversight Committee calls for the Board of Supervisors to establish the committee and, in consultation with the county treasurer, determine the exact size of the committee. The Board of Supervisors has previously set the categories from which membership shall be drawn and has set the size of the committee at 7 members. The actual individuals are to be nominated by the Treasurer and confirmed by the Board of Supervisors.

The method for selection of the members being nominated by the Treasurer are as follows:

1. The representative of the Board of Supervisors was selected by the Board of Supervisors at their February 6, 1996 meeting.
2. The County Superintendent of Schools has elected to serve on the committee.
3. The chair of each district school board in Yolo County was notified of the legislation and given an opportunity to select one representative of the school districts. The school districts have recommended the business officer for Washington School District and he is nominated for your confirmation consideration.
4. The County Auditor-Controller has elected to serve on the committee
5. Special districts of the county were notified of the legislation and urged to return a ballot naming the district of their choice to represent the special districts on the committee. Winters Fire Protection District received the most votes and has responded with the individual nominated for your confirmation consideration,

The two public members were selected for their expertise or academic background in public **finance**.

6. Thomas G. Eddy is a retired banker having held management positions with First Northern Bank and Bank of America.
7. Dr. George Bittlingmayer is a member of the faculty of the University of California, Davis and was recommended by the Dean of the Graduate School of Management, Dr. Robert H. Smiley.

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FISCAL IMPACT:

It is anticipated the Treasury Oversight Committee meeting will require additional **staff** time and a minimal expense for creation of documents and meeting the requirements of the Brown Act. The Treasury Oversight Committee is **also** required to cause an annual audit of the Treasurer's investment pool for compliance with the requirements of the new legislation. The cost of the audit cannot now be determined but would be paid from interest earnings of the pooled funds and therefore equally shared by all members of the treasury pool proportional to their average fund balance.

OTHER AGENCY INVOLVEMENT:

The recommendation is from the Treasurer. The Treasurer, Board of Supervisors and other agencies in the county investment fund are the beneficiaries of the County Treasury Oversight Committee.

**YOLO COUNTY
TREASURY OVERSIGHT COMMITTEE
BYLAWS**

I. NAME

The name of this committee is the YOLO County Treasury Oversight Committee ("Committee").

II. AUTHORITY

This Committee was established by the Yolo County Board of Supervisors ("Board") on April 16, 1996 pursuant to California Government Code ("Code") Section 27130.

III. PURPOSE

The purpose of the Committee is to carry out the requirements of the Code as listed in Chapter 5, Article 6, Sections 27133 and 27134, which includes:

- A.** The Committee shall annually review and monitor the Yolo County Pooled Investment Fund Policy rendered by the County Treasurer.
- B.** The Committee shall cause an annual audit to determine the County Treasurer's compliance with the Investment Policy and all investment funds in the county treasury.
- C.** The Committee shall review the quarterly Pooled Investment Fund reports.
- D.** Investment related education shall be made available to the Committee including training, conferences, informational brochures, and new product information.
The County Treasurer will budget an amount to cover such expenses annually.

IV. MEMBERSHIP

A. Membership Categories:

The Committee shall consist of seven representatives from the following entities or areas:

- (1) The County Auditor/Controller
- (2) A representative appointed by the Board of Supervisors

(3) The County Superintendent of Schools or his or her designee

(4) A representative elected by a majority of the school and community college districts in the County

(5) A representative elected by a majority of the special districts in the County

(6) Two members of the public

Members shall be nominated by the County Treasurer and confirmed by the Board of Supervisors.

B. Terms of Office:

Members are appointed to serve a three-year term. Members may serve additional three-year terms at the pleasure of the Board.

V. POWERS AND DUTIES OF MEMBERS AND OFFICERS

- A. All Members will have an equal voice in the decision-making process.
- B. The Committee may not direct individual investment decisions nor impinge on the day-to-day operations of the county treasury.
- C. A Chair and a Vice Chair shall initially be elected for a one-year term, which may be extended by a favorable vote of a majority of the members.
- D. At the October regular meeting, the Committee will select a Chair and Vice Chair to serve for the following calendar year.
- E. The Chair's duties include presiding over all Committee meetings, responding to members' requests for information, signing communications on behalf of the Committee and representing the Committee before the Board of Supervisors, subject to the approval of the Committee members.
- F. The Chair shall preside over the meetings. In the absence of the Chair, the Vice Chair shall preside. In the event that neither is available, the Chair shall select a Chair pro-tem to serve in their absence.
- G. The Chair shall preserve order at the meetings. The presence of a majority of the members will constitute a quorum, which will be necessary to conduct a meeting

VI. ATTENDANCE

A call to the County Treasurer prior to a regular meeting, anticipating an absence from a meeting, constitutes an excused absence.

VII. RESIGNATION

A resignation from a Committee member may be submitted at any time by giving written notice to the County Treasurer.

VIII. FILLING VACANCIES

Vacancies occurring during the terms of appointment shall be filled as soon as practicable, as determined by the category of the Committee member position that is vacant. The County Treasurer shall seek recommendations from Committee members and any other appropriate sources to fill vacancies occurring on the Committee.

IX. MEETINGS

A. Meetings

(1) Regular Meetings will be scheduled during the first month after each quarter's close, or as soon thereafter as practicable. At a minimum, the Committee will meet on a quarterly basis as described above.

(2) Special Meetings may be called by the Chair or on the written request of two or more Committee members. All Committee members will be provided with a written agenda 24 hours in advance of the meeting and the agenda will be posted in appropriate locations. The agenda shall state the time, place, and business to be transacted at the meeting, and no other business shall be considered at the special meeting.

B. Convening Meetings

The Meeting agenda will be posted and delivered to the Committee at least 72 hours in advance. Only items included in the agenda may be discussed and considered. The Committee may discuss a non-agenda item at a regular meeting if pursuant to Section 54954.2 (b)(2), upon determination by a two-thirds vote of the members, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Committee subsequent to the agenda being posted.

C. Open Meetings

All Committee meetings are open to the public and are subject to the Ralph M. Brown Act (Title 5, Division 2, Part 1, Chapter 9, commencing with Section 54950).

D. Quorum

A quorum is no less than a simple majority of the total current membership. Action may be taken by a majority of those present voting and by no less than a majority of the quorum.

E. Compensation

The members of the Committee volunteer to serve without compensation.

F. Staff Support

- (1) The County Treasurer will keep minutes of each meeting and offer them for Committee approval at the subsequent meeting.
- (2) County staff shall schedule Committee meetings and see that adequate meeting facilities are provided and are in compliance with the Brown Act, inclusive of all amendments.
- (3) As required and to the extent possible, County staff will provide technical and administrative support to the Committee.

X. PARLIAMENTARY PROCEDURE

The Committee meetings shall be governed by Roberts' Rules of Order, the Modern Edition, and the Chair shall decide questions of order (unless overridden by a simple majority of the members present) consistent with such rules.

XI. CONFLICT OF INTEREST

- A.** Each Committee member will be required to complete an "Application for Nomination and Affidavit of Understanding" in a timely manner. Failure to do so may invalidate Committee membership. Further, if any Committee member is found in breach of the requirements or in violation of the understandings, they must resign from this Committee.
- B.** A Committee member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local

agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Committee.

- C. A Committee member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the Committee.
- D. A member of the Committee may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms with whom the treasurer is doing business during the period that the person is a member of the Committee or for one year after leaving the Committee.

XII. AMENDMENT OF BYLAWS

Proposed amendments to these bylaws must be delivered at least 72 hours in advance of a regular or special meeting to every member. Amendments require a simple majority vote of those present and voting for passage.