



Board Agenda Item 25

DATE: October 17, 2017

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Auditor-Controller/Treasurer-Tax Collector Salary Resolution Amendment Request for Investment Officer

RECOMMENDED ACTION(S):

Approve Salary Resolution Amendment regarding the Investment Officer classification, effective October 23, 2017, as reflected on Appendix C.

The recommended action would align the Investment Officer from Senior Management Compensation Plan (SMCP) salary band "F" for Coordinators/Supervisors to band "D" for Division Managers to more accurately reflect the level of management entailed in the position and adjust the current salary of the Investment Officer.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the Salary Resolution would remain as currently written.

FISCAL IMPACT:

There is no Net County Cost with the recommended action. The new annual salary will be \$110,000 with an associated additional annual cost of \$24,200 which will be absorbed within the FY 2017-18 Auditor-Controller/Treasurer-Tax Collector budget.

DISCUSSION:

On an annual basis your Board delegates the fiduciary responsibility for the County of Fresno Treasury Investment Pool (Investment Pool) to the Treasurer portion of the Auditor-Controller/Treasurer-Tax Collector department. The Investment Pool is comprised of participants that are required to keep their money with the County Treasurer. These participants include the County, school districts and some special districts within the County, as well as voluntary participation of a few special districts that are eligible to keep their funds in the Investment Pool.

The Investment Officer is responsible for the overall management of the County's \$3 billion Investment Pool, determining the liquidity needs of participants and developing and implementing investment strategies. The Investment Officer is required to monitor Investment Pool compliance, economic and market trends, and credit risk, then communicate this information to the Department Head. This position also represents the Department and County in meetings related to the Investment Pool. Since 2008, enhancements in cash flow projections, changes in security selection and maturity structure in the portfolio have allowed the County of Fresno Investment Pool to become one of the highest yielding in the State. This translates to upwards of an additional \$10 million in interest earnings each year above the majority of the large counties. During fiscal year 2016-17, the investment pool returned just over \$41 million in earnings to pool participants. Over the past ten years, the Investment Pool

has grown approximately \$1.1 billion.

As part of the Auditor-Controller/Treasurer-Tax Collector's fiduciary responsibilities, he or she periodically reviews both internal controls and segregation of duties and functions performed related to the Investment Pool and the Investment Officer. This review has determined that additional duties are now included in the Investment Officer's position. Among these additional duties are building and maintaining a multi-year daily cash flow, enhanced oversight related to corporate bond purchases/sales, and a laddered strategy that is matching cash flow needs of the portfolio. All of this allows the County to invest further out the curve resulting in additional yield. This position has grown to include additional controls and analyses along with supervision responsibilities of an accountant who handles the accounting, reconciling and reporting needs of the portfolio to insure proper oversight of the entire portfolio.

Aligning the Investment Officer classification from SMCP salary band "F" to band "D" will allow for an equity adjustment that is more commensurate with the position and is supported by the County Administrative Officer and the Auditor-Controller/Treasurer-Tax Collector.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Salary Resolution Amendment Appendix "C"

CAO ANALYST:

Juan Lopez