



Board Agenda Item 32

DATE: November 24, 2020

TO: Board of Supervisors

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

SUBJECT: Delegation of Investment Authority and acceptance of the County of Fresno Treasury Investment Pool Investment Policy

RECOMMENDED ACTION(S):

- 1. Delegate investment authority to the Auditor-Controller/Treasurer-Tax Collector for the 2021 calendar year; and**
- 2. Adopt revisions of the “County of Fresno Treasury Investment Pool Investment Policy”.**

Approval of the first recommended action renews the Board’s delegation of investment authority to the Auditor-Controller/Treasurer-Tax Collector (ACTTC) under County Ordinance Code section 2.20.080. Your Board is also required to annually review and approve the “County of Fresno Treasury Investment Pool Investment Policy” (Investment Policy). Approval of the second recommended action will effectuate the ACTTC’s recommended changes to the Investment Policy, primarily in Section 8.4 and other minor revisions. This item is countywide.

ALTERNATIVE ACTION(S):

If your Board does not renew the delegation of investment authority to the ACTTC, the fiduciary responsibility of investing the funds in the Treasury Investment Pool will remain with your Board.

FISCAL IMPACT:

There is no additional fiscal impact associated with the recommended actions.

DISCUSSION:

Delegation of investment authority to the ACTTC may be renewed annually, subject to review by your Board, under Government Code sections 27000.1 and 53607 and the Ordinance Code of Fresno County section 2.20.080. Therefore, your Board is required to act each year to decide whether to renew the delegation. The first recommended action delegates investment authority to the ACTTC for calendar year 2021.

Government Code section 53646 provides that the ACTTC may annually render to the Board of Supervisors a statement of investment policy, which the Board shall review and approve at a public meeting. This Investment Policy is the document that governs the investment of all financial assets deposited to and retained in the County of Fresno Treasury Investment Pool. The ACTTC is recommending that your Board review and approve the Investment Policy. Your Board last reviewed and approved the Investment Policy on November 5, 2019.

The ACTTC is recommending a revision of Section 8.4, on page 7 of the Investment Policy, relating to the commercial paper that the County may purchase. Commercial paper is an unsecured short-term promissory note with a maturity between 1 and 270 days.

The ACTTC is recommending that Section 8.4 be revised to provide for all of the investment options allowed under Government Code section 53601, subdivision (h). Specifically, the revision would allow the County to purchase commercial paper issued by an entity that (a) is organized within the United States as a special purpose corporation, trust, or limited liability, (b) has programwide credit enhancements, including, but not limited to, overcollateralization, letters of credit, or a surety bond, and (c) has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.

Additional minor, non-substantive revisions are also recommended.

A revised document, with tracked updates from the November 5, 2019 Investment Policy, and a "clean" (final) copy of the proposed Investment Policy are included with this agenda item.

REFERENCE MATERIAL:

BAI #21, November 5, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Redline - County of Fresno Treasury Investment Pool Investment Policy
Clean - County of Fresno Treasury Investment Pool Investment Policy

CAO ANALYST:

Yussel Zalapa