

MARIN COUNTY TREASURY OVERSIGHT COMMITTEE

Marin County Civic Center
3501 Civic Center Drive
San Rafael, CA

Thursday, November 14, 2013
2:00P.M.
County Counsel Conference Room
Room 275
Regular Meeting

MINUTES

1. Call to Order

The meeting was called to order at 2:05 p.m.

2. Roll Call

Chair: Dan Hom, Special Districts Representative, Vice-Chair: Mary Jane Burke, Superintendent of Schools, Thomas Lohwasser, School Districts Superintendent Representative; Jean Bonander, Public Member, Matthew Hymel, County Administrator

Absent: None

Others in Attendance:

Roy Given, Director of Finance; Mina Teymourtash, Department of Finance Division Chief/Accounting; Karen Shaw, Department of Finance Division Chief/Finance, Tarrell Gamble, Vice President, Robert Van, LLC

3. Approve Minutes--Meeting of April 17, 2013 (Action)

MOTION by Thomas Lohwasser to approve the minutes of April 17, 2013

Second by Mary Jane Burke

AYES:ALL

4. Open Time for Public Comment

Tarrell Gamble, Vice President of Capital Markets, with Blaylock Robert Van, LLC, introduced himself. He stated he was there to learn more about the County of Marin.

5. Committee Business

- Review Govt Code (GC) Sections 27130-27137

Roy Given reminded the committee that a treasury oversight committee is no longer a state requirement and said he appreciated their willingness to continue to convene a committee

Jean Bonander asked if there have been any changes in the government code. Roy Given stated that there have been no changes since the last meeting's presentation to the committee.

- Other Committee Member Matters

No Discussion

6. Discussion on LAIF Accounts for Local Agencies

Roy Given stated that one of the districts has requested to move their investments into a LAIF (Local Agency Investment Fund) account. LAIF is the state investment fund. Roy stated that in the committee packet was a county policy for opening a LAIF account, which had been drafted by the Department of Finance to accommodate the current and any future requests. The policy provides guidelines that must be followed by any entity requesting to participate in a LAIF account via the Marin County Treasurer. He said the LAIF policy will be forwarded to the requesting district, but that he had wanted to review it with the TOC committee first. The policy is currently being reviewed by County Counsel. A vote is not required.

Roy Given explained further that the Treasurer invests on behalf of all the entities in the pool. Since one district has requested to invest outside the pool in LAIF, the Treasurer must invest on the district's behalf. Matthew Hymel asked if other participants in the pool would be affected. Roy Given stated that currently there would be no effect on the pool. Should a large number of entities want to invest in a LAIF account, however, the policy would need to be reexamined.

Jean Bonander asked what the impetus was for investing outside the pool in LAIF. Roy Given said the impetus was higher earnings. He also stated that LAIF is not rated by any rating agency and that LAIF does not provide detailed information on the specific investments that comprise their pool. Lastly, he stated that entities investing in LAIF do so at their own risk which is clearly stated in the new policy.

Thomas Lohwasser asked if LAIF investments are disclosed to the community. Roy said the decision is made by the board of each school, district, or agency at a public meeting.

Dan Hom asked if the districts will divulge their participation in LAIF accounts. Roy stated that yes they would, as each LAIF account would be listed in the monthly Treasurer's report to the Board of Supervisors.

7. Director of Finance Report

- 2012-13 Investment Audit Report (Discussion)

Mina Teymourtash distributed a draft of the Treasury Oversight Committee Compliance Report for the Year Ended June 30, 2013 prepared by outside auditor Gallina LLP. Mina stated that a final copy of the report will be emailed to the committee by the end of next week. Mina gave an overview of the report and stated the auditors concluded that the County of Marin was in compliance in all areas audited.

Roy Given stated that the final Treasury Oversight Committee Compliance Report for the Year Ended June 30, 2013 will be presented for approval at the next meeting.

- Annual Statement of Investment Policy (Action: Review & Monitor)
Roy Given stated that there was one change to the annual County of Marin Statement of Investment Policy. On page one, the second sentence in Section 3 (Authorized Persons) was stricken, and an Authorized Investor List was added to the policy as Exhibit 3. Roy stated that the list included all individuals who are authorized to make investments on behalf of the County of Marin. The list included

Roy Given, Director of Finance, Cristine Alilovich, Assistant Director of Finance, Karen Shaw, Finance Division Chief, Mina Teymourash, Accounting Division Chief, Sandra Shaul, Tax Division Chief, the Senior Accountant for Treasury who is yet to be determined. There was no change to the Disaster Continuity Plan.

- Fitch Rating

Roy Given discussed the Fitch full rating report, dated August 9, 2013. He said that although a review of the investment pool by an independent agency is not required, he considered the Fitch Rating Report an important oversight component, along with the Treasury Oversight Committee and the outside auditor's compliance report. The County continues with an AAA rating, which it has received since 1994. Karen Shaw mentioned that a monthly surveillance report is provided to Fitch.

Jean Bonander asked if the federal debt ceiling crisis had a negative trickle-down effect on the County's rating. Roy Given said that it did not.

8. Schedule of Future Meetings

- Schedule 2014 meetings (bring your calendars)

The next meeting was scheduled for **Wednesday, April 23rd, 3:00p.m- 4:00p.m.** in the County Counsel conference room (Room 275). The committee will schedule the fall 2014 meeting at the April meeting.

9. Adjournment

The meeting was adjourned at 2:30p.m.