

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Treasurer/Tax Collector/Public Administrator	(2) MEETING DATE 11/26/2013	(3) CONTACT/PHONE Gordon Eiland, (805) 781-5848 Jim Erb, (805) 788-2964		
(4) SUBJECT Request to approve the 2014 County Treasury Investment Policy.				
(5) RECOMMENDED ACTION It is recommended that your Honorable Board review and approve the County Treasury Investment Policy for the calendar year 2014.				
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No	
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)				
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A				
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____		
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>				
(18) SUPERVISOR DISTRICT(S) All Districts -				

County of San Luis Obispo



TO: Honorable Board of Supervisors

FROM: James P. Erb, CPA
Auditor - Controller - Treasurer - Tax Collector

DATE: November 26, 2013

SUBJECT: Request to approve the 2014 County Treasury Investment Policy.

RECOMMENDATION

It is recommended that your Honorable Board review and approve the County Treasury Investment Policy for the calendar year 2014.

DISCUSSION

Summary

The Treasury Investment Policy ("Policy") is reviewed annually. There are no changes to the Policy's overall investment philosophy, objectives, priorities, or to specific investment restrictions, which remain conservative compared to many other counties.

Background

The Treasury Investment Policy was established in May 1983 by the County Treasurer (the first written county investment policy in the State). The purpose is to clearly state investment guidelines for the protection of funds, define the objectives of managing the funds, and maintain internal controls and reporting requirements. The primary objectives in order of priority, by law, are safety, liquidity, and yield, while maintaining compliance with federal, state, and local laws and regulations. The Policy is reviewed at least annually and revised as needed.

No Material Change to Philosophy

In making investment decisions, the County Treasurer continues to emphasize safety of principal above all other considerations, followed by liquidity, and then yield. The investment restrictions contained in the Policy continue to reflect this philosophy.

No Material Change to the Policy

There are no material changes to the Investment Policy for 2014. The formatting for the investment restrictions table has been revised for better presentation and clarity.

OTHER AGENCY INVOLVEMENT/IMPACT

The Policy was approved on October 25, 2013, by the County Treasury Oversight Committee, which includes the County Auditor-Controller, a representative appointed by the County Board of Supervisors, the County

Superintendent of Schools or his or her designee, a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college district in the County, and one member of the public with expertise in, or academic background in, public finance.

FINANCIAL CONSIDERATIONS

Since 1983, the Policy has provided an important foundation for maintaining the safety of funds in the investment pool. There are no changes to budgets or staffing to implement the policy.

RESULTS

One of the goals of the County Treasury is to manage the investment pool in a manner that ensures the preservation of capital and provides the ability to meet the cash flow needs of the investment pool participants. The 2014 Treasury Investment Policy will further enhance the Treasurer's ability to attain this goal. In addition, the Policy provides information to the Board of Supervisors and the public regarding the stringent control exercised by the County Treasurer over the investment of public funds. These results are consistent with the County's goals to maintain "A Prosperous and Well Governed Community."

ATTACHMENTS

1. Proposed Treasury Investment Policy for Calendar Year 2014