



COUNTY OF HUMBOLDT

For the meeting of: 12/18/2018

File #: 18-1406

To: Board of Supervisors

From: Treasurer/Tax Collector

Agenda Section: Consent

SUBJECT:

Delegation of Authority to County Treasurer for Investment Responsibility of County Treasury for 2019

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt Resolution # _____ (Attachment 1) authorizing the County Treasurer to assume full responsibility for all transactions and expenditures related to the investment and reinvestment of funds on deposit in the County Treasury; and
2. Delegates the authority to execute all contracts necessary to the investment and reinvestment of funds in the County Treasury subject to prior review and approval by the County Counsel and Risk Management.

SOURCE OF FUNDING:

N/A

DISCUSSION:

The Board of Supervisors is responsible for County Treasury operations and compliance unless that authority is delegated to the County Treasurer as stated in Government Code 27000.3: "With regard to county funds deposited in the county treasury, the board of supervisors is the agent of the county who serves as a fiduciary and is subject to the prudent investor standard, unless a delegation has occurred pursuant to Section 53607 in which case the county treasurer shall be the agent of the county with respect to these funds, serve as a fiduciary, and be subject to the prudent investor standard and the board of supervisors shall not be the agent, serve as a fiduciary, or be subject to the prudent investor standard."

The Board of Supervisors delegated this authority to the County Treasurer with adoption of Ordinance No. 2495. This delegation is subject to annual review and renewal. Therefore it is recommended that the Board of Supervisors adopt the attached resolution to delegate that authority to the County Treasurer for 2019; and authorize the County Treasurer execution authority over contracts related to the investment and reinvestment of funds in the County Treasury.

The County Treasury is the depository for all County Schools and most of the local governmental agencies in the county, excepting cities. The law provides that funds may be invested within specific government guidelines. The priority of these guidelines is safety, liquidity, and then yield. 1) Safety of Capital: The preservation of capital is the primary objective. 2) Liquidity: This secondary objective is for the County Treasury to maintain sufficient liquidity to meet all operational requirements. 3) Yield: This third objective is to generate the maximum rate of return through the use of authorized investments (per governmental guidelines) after safety and liquidity has been ensured.

There are operational contracts necessary for the investment and reinvestment of funds in the County Treasury related to custodial requirements and transaction processing. Granting execution authority to the County Treasurer for these operational contracts, with prior review and approval by County Counsel and Risk Management, add efficiencies to Treasury operations and reduce costs and staff time.

FINANCIAL IMPACT:

None

OTHER AGENCY INVOLVEMENT:

All County Schools and many other governmental agencies hold most funds in the County Treasury.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None.

ATTACHMENTS:

1. Resolution # _____ Authorizing the County Treasurer to assume full responsibility for all transactions and expenditures related to the investment and reinvestment of funds on deposit in the County; and delegates authority to the Treasurer, subject to prior review and approval by the County Counsel and Risk Management, to execute all contracts necessary to the investment and reinvestment of funds in the County Treasury.

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A