



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: December 10, 2024

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TO: Board of Supervisors

SUBJECT

DELEGATION OF INVESTMENT AUTHORITY TO THE TREASURER-TAX COLLECTOR AND APPROVAL OF THE INVESTMENT POLICY (DISTRICTS: ALL)

OVERVIEW

Annually, the Board of Supervisors (Board) is requested to take several actions regarding the San Diego County Investment Pool. These actions include the annual delegation of investment authority to the Treasurer-Tax Collector and review and approval of the Investment Policy.

Today's actions will delegate investment authority to the Treasurer-Tax Collector for the calendar year 2025 and approve the amended Investment Policy.

RECOMMENDATION(S)

TREASURER-TAX COLLECTOR

1. Adopt the Resolution titled: RESOLUTION DELEGATING INVESTMENT AUTHORITY TO THE COUNTY TREASURER-TAX COLLECTOR
2. Review and approve the San Diego County Treasurer's Pooled Money Fund Investment Policy, as amended.

EQUITY IMPACT STATEMENT

The County Treasurer follows State of California legislated parameters and exercises fiduciary authority for the investment of the funds of the county and the funds of other depositors in the county treasury. The County Treasurer must manage public monies in a way that is consistent with its objectives of safety and liquidity, prudent investment practices and not solely to maximize returns. The investment function benefits the public because the investment earnings provide incremental funding for programs and services.

SUSTAINABILITY IMPACT STATEMENT

The Treasurer-Tax Collector is committed to the County's sustainability goals. To promote just and equitable access to the County's investment process, the County Treasurer utilizes an approved list of brokerage firms to purchase securities. A competitive request for statement of qualifications

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is conducted every three years. The Treasurer's selection process includes working with the Department of Purchasing and Contracting and a Qualification Evaluation Committee to evaluate proposals from a variety of firms with diverse backgrounds and skillsets.

FISCAL IMPACT

There is no fiscal impact associated with this request. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

On October 10, 2024, the Treasury Oversight Committee reviewed the amended Treasurer's 2025 Pooled Money Fund Investment Policy.

BACKGROUND

The purpose of the investment policy is to articulate standards and guidelines for the Treasurer's investment decisions. The annual review of the investment policy allows the County Treasurer to update the current policy, as needed, based on changes to the government code or dynamics of the money markets. Any local governmental agency located within San Diego County can participate in the Investment Pool with approval of its governing body.

Status of Treasurer's Pooled Money Fund

The San Diego County Treasurer's Pooled Money Fund (Pool) continues to operate under the highest possible standards. The Pool continues to be rated AAAs/S1 by Fitch Ratings. This is the highest possible rating from Fitch Ratings. Further it is stated by Fitch Ratings, "The 'AAAs' rating denotes an extremely strong capacity to achieve the investment objective of preserving principal and providing liquidity through limiting credit, market, and liquidity risk."

The Pool has sufficient liquidity to meet current and future needs of participants based on our five-year detailed cash flow projections. The Pool's objectives continue to be, in order:

- 1) Safeguard the principal of the funds
- 2) Meet liquidity needs of participants
- 3) Achieve an investment return within the parameters of prudent risk management

Delegation of Investment Authority

Section 53607 of the Government Code permits the County Board of Supervisors to delegate the authority to invest and reinvest funds of the County, or to sell or exchange securities so purchased, to the County Treasurer-Tax Collector for a one-year period, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

Review and Approval of Investment Policy

Pursuant to section 53646 of the Government Code, the Treasurer-Tax Collector is submitting to the Board of Supervisors the amended 2024 Investment Policy, which the Board is being asked to

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approve today. The Treasury Oversight Committee reviewed the amended Investment Policy at its meeting on October 10, 2024.

There are no significant changes to the San Diego County Treasurer's Pooled Money Fund 2025 Investment Policy. Staff is making some minor clean-up changes to the grammar and format of the document.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Approval of these recommended actions will support the Strategic Initiatives of Sustainability, Equity, Empower, Community, and Justice in the County of San Diego's 2024-2029 Strategic Plan. These actions will safeguard County and Pool participant funds, meet the liquidity needs of the County and Pool participants and achieve investment returns on the funds under control of the Treasurer within the parameters of prudent risk management to fund County programs.

Respectfully submitted,



DAN MCALLISTER
Treasurer-Tax Collector

ATTACHMENT(S)

Attachment A - RESOLUTION DELEGATING INVESTMENT AUTHORITY TO THE COUNTY TREASURER-TAX COLLECTOR

Attachment B – 2025 Investment Policy (Final version)

Attachment C – 2025 Investment Policy (Redlined version)