



MEETING MINUTES

TREASURY OVERSIGHT COMMITTEE, COUNTY OF MONO

STATE OF CALIFORNIA

MEETING LOCATION: Mammoth Lakes CAO Conference Room, 3rd Floor, Sierra Center Mall, Suite 306, 452 Old Mammoth Road, Mammoth Lakes, CA 93546

TELECONFERENCE LOCATION: Bridgeport CAO Conference Room, 1st Floor, Annex 1, Room 110, 74 North School Street, Bridgeport, CA 93517

Quarterly Meeting
Monday, August 20, 2018
11:00 AM

Committee Members Present: Janet Dutcher, Gerald Frank, John Peters, Mollie Nugent, Brooke Bien, George Savage, Dan Holler (alternate) and Rob Patterson (alternate).

Also Present: Janelle Mills, Secretary

Committee Members Absent: Kirk Stapp, Caty Ecklund and Bob Gardner (alternate),
Seven out of eight Committee Members present, a quorum was met.

1. CALL MEETING TO ORDER:

The meeting was called to order at 11:10 AM by Janet Dutcher.

2. PUBLIC COMMENTS:

No public comments.

3. MINUTES:

A. Review and Approve the Minutes of the May 24, 2018 Treasury Oversight Committee Meeting.

MOTION: Mollie Nugent made a motion to approve the minutes of the May 24, 2018 Treasury Oversight Committee Meeting. John Peters seconded the motion. **VOTE: 7 Yeas; 0 Nays**

4. QUARTERLY INVESTMENT REPORT:

A. Review the Quarterly Investment Report for the Quarter Ended June 30, 2018. – Gerald Frank.

The Treasury was in compliance with the Mono County Investment Policy on June 30, 2018. The Weighted Average Maturity (WAM) was 659 days.

It is anticipated that the County Treasury will be able to meet the liquidity requirements of its pooled participants for the next six months.

On the last day of the quarter, on a cost basis, the portfolio totaled \$93,638,816 and the market value was \$92,068,408 or 98.323% of cost. The earned interest rate for the quarter ending June 30, 2018 was 1.7564%.

The following charts were gone over; Portfolio Holdings by Security Sector, Distribution by Asset Category-Market Value, Treasury Cash Balances, Maturity Distribution, Quarterly Yield Comparison and the Investment Pool Participants.

5. PRESENTAION ON INVESTMENT POLICIES FRAME WORK: - Janet Dutcher.

Janet Dutcher prepared an information only handout on best practices for formal investment policies. This information was gathered from a California State Auditor Controller training.

6. INVESTMENT POLICY; REVIEW AND APPROVE TO AGENDIZE FOR BOARD OF SUPERVISOR MEETING IN SEPTEMBER: - Gerald Frank.

The Investment Policy, which does not state anything regarding Bond Proceeds, needs to be updated to accommodate the Mammoth Unified School District's new Bond and any future Bonds. All changes are highlighted in blue. The language to be changed/added will be:

Page 7, ii; Agency Bonds and Certificates of Deposit callable securities in the portfolio shall be 30%,

Page 8; XII Investing of Bond Proceeds

The County Treasurer shall invest bond proceeds using the standards of this Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by this Policy.

Page 8, XIII. Withdrawal Requests;

1. Regular Operation

The County Finance Director seeks to honor all written withdrawal requests for regular operating purposes that are approved by the County Auditor- Controller's Office in a timely fashion. However, the County Finance Director recognizes that occasionally the Pool Participants may request large amounts in withdrawals to cover unexpected operational needs. To accommodate such withdrawals and allow for adequate time for adjustments to the liquidity position of the Pool, the County Finance Director expects all Pool Participants to submit their written requests within the following timeframes:

- A. Withdrawals up to \$2 million – 3 business days in advance of disbursement
- B. Withdrawals above \$2 million – 5 business days in advance of disbursement and in no case can more than \$5 million dollars be withdrawn in a single business day

Extraordinary withdrawal requests are considered withdrawals outside the normal cash-flow patterns of a Pool Participant. For any withdrawal considered extraordinary, the Finance Director shall evaluate the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury.

In the event that the Finance Director must liquidate investments in order to honor the withdrawal request, the Pool Participant who requests the withdrawal shall be subject to all expenses associated with the liquidation, including, but not limited to loss of principal and interest income, withdrawal penalties, and associated fees.

Page 9; **2. Investing or Depositing Funds Outside the Pool**

There was concern with the wording; **in no case can more than \$5 million dollars be withdrawn in a single business day** however, Gerald Frank explained that our bank will guarantee funds up to \$10 million only. \$5 million must be kept in the account for operating expenditures. The bank will not allow more. The communication between the Pool Participants and the County is imperative to know when money is needed. Should there be a need for another bank in the future, it will be looked at then.

There will be a letter and some type of form sent to all Districts explaining these new changes.

MOTION: Dan Holler made a motion to forward the proposed and recommended Investment Policy to the Board of Supervisors. John Peters seconded the motion.

VOTE: 6 Yeas; 0 Nays

7. QUESTIONS AND RECOMMENDATIONS:

- Gerald Frank explained an opportunity to invest in a General Obligation Revenue Bond. The link for this Bond will be sent to Brooke Bien.
- Brooke Bien asked about the term of sitting on the Treasury Oversight Committee. There is no term according to the Revenue & Taxation Code and the positions are appointed by the Board of Supervisors with no term limits.

8. NEXT MEETING DATE:

Monday, November 19, 2018 at 11:00 AM

9. ADJOURN MEETING:

Meeting ended at 12:24 PM

Respectfully Submitted:

Janelle Mills, Treasury Oversight Committee Secretary