

**BOARD OF SUPERVISORS, COUNTY OF SIERRA, STATE OF CALIFORNIA**

**ORDINANCE ESTABLISHING )      ORDINANCE NO. 840**  
**TREASURY OVERSIGHT COMMITTEE )**

**THE BOARD OF SUPERVISORS OF THE COUNTY OF SIERRA ORDAINS AS FOLLOWS:**

**Ordinance Section One: NON CODIFIED FINDINGS AND DECLARATION:**

1.     The State legislature has declared that by pooling deposits from local agencies and other participants, county treasuries operate in the public interest when they consolidate banking and investment activities, reduce duplication, achieve economies of scale, and carry out coherent and consolidated investment strategies.
  
2.     The State Legislature further declared that the creation of a county treasury oversight committee will promote the public interest by involving depositors, enhancing the security and investment return on their funds by providing a more stable and predictable balance for investment by establishing criteria for the withdrawal of funds.
  
3.     Pursuant to *Government Code* § 27131, if a county is investing surplus funds, the Board of Supervisors shall establish a treasury oversight committee in accordance with *Government Code* § 27131 et seq.

**Ordinance Section Two: Part 2, Chapter 55 of the Sierra County Code is hereby added to read as follows:**

**CHAPTER 2.55 - TREASURY OVERSIGHT COMMITTEE**

- 2.55.010 Membership**
- 2.55.020 Conflict of Interest**
- 2.55.030 Open Meeting Requirement**
- 2.55.040 Investment Policy**
- 2.55.050 Annual Audit**
- 2.55.060 Costs**
- 2.55.070 Withdrawals from Treasury**
- 2.55.080 Committee Scope**
- 2.55.090 Severability**

**2.55.010 Membership**

Members shall be nominated by the Treasurer and appointed by the Board of Supervisors. The Committee shall consist of five Members, appointed from the following categories:

- (a) Voting Members
  - (1) A representative appointed by the Board of Supervisors.
  - (2) The County Superintendent of Schools or his or her designee.
  - (3) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the county treasury.
  - (4) Two members of the public.
    - (A) At least one public member shall have expertise in, or an academic background in public finance.
    - (B) The public members shall be economically diverse and bipartisan in political registration.

- (b). Non-voting Advisors to Committee

The County Treasurer and County Auditor shall not be Members of the Committee and may not vote on any issue before the Committee but shall serve as advisors to the Committee. The County Treasurer shall also serve as the Committee Secretary.

**2.55.020 Conflict Of Interest**

- (a) A Member may not be employed by an entity that has contributed to a reelection campaign of the County Treasurer or a member of the Board of Supervisors in the previous three years prior to such Members' appointment.
- (b) A Member may not directly or indirectly raise money for the County Treasurer's election campaign or election committee while a Member of the Committee.
- (c) A Member may not directly or indirectly raise money for a member of the Sierra County Board of Supervisors while a Member of the Committee. If a County Supervisor is a Member of the committee that Supervisor may raise money for his/her own reelection campaign.
- (d) A Member may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms for three years after the date upon which such Committee membership terminates.

**2.55.030 Open Meeting Requirement**

Committee meetings shall be open to the public and subject to the Ralph M. Brown Act.  
(*Government Code* commencing with Section 54950)

**2.55.040 Investment Policy**

The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the Treasury Oversight Committee. The investment policy shall include all of the following:

- (a) A list of securities or other instruments in which the County Treasurer may invest, according to law, including the maximum allowable percentage by type of security.
- (b) The maximum term of any security purchase by the County Treasurer.
- (c) The criteria for selecting security brokers and dealers from, to or through whom the County Treasurer may purchase or sell securities or other instruments. The criteria shall prohibit the selection of any broker, brokerage, dealer, or securities firm, that has, within any consecutive forty-eight (48) month period following January 1, 1996, made a political contribution in an amount exceeding limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the County Treasurer, any member of the Board of Supervisors, or any candidate for those offices.
- (d) Limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the County Treasurer conducts business by any Member of the Treasury Oversight Committee. These limits may be in addition to the limits set by a Committee Member's own agency, by state law, or by the Fair Political Practices Commission.
- (e) A requirement that the County Treasurer provide the Treasury Oversight Committee with an investment report as required by the Board of Supervisors.
- (f) The manner of calculating and apportioning the costs authorized by *Government Code* § 27013, of investing, depositing, banking, auditing, reporting or otherwise handling or managing funds.
- (g) The terms and conditions under which local agencies and other entities that are not required to deposit their funds in the county treasury may deposit funds for investment purposes.
- (h) Criteria for considering requests to withdraw funds from the county treasury, pursuant to *Government Code* Section 27136. The criteria shall include an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the county treasury.

**2.55.050 Annual Audit**

The Treasury Oversight Committee shall cause an annual audit to be conducted to determine the County Treasurer's compliance with this chapter. The audit may include issues relating to the structure of the investment portfolio and risk.

**2.55.060 Costs**

The costs of complying with this ordinance shall be county charges and shall be included with those charges enumerated under *Government Code* §27013.

**2.55.070 Withdrawals From The Treasury**

Notwithstanding any other provision of law, any local agency, public agency, public entity, or public official that has funds on deposit in the county treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the County Treasurer before withdrawing funds from the county treasury pool.

The County Treasurer shall evaluate each proposed withdrawal for its consistency with the criteria adopted pursuant to subdivision (h) of 2.55.040. Prior to approving or disapproving a withdrawal, the County Treasurer shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the county treasury pool.

**2.55.080 Committee Scope**

Nothing in this ordinance shall be construed to allow the Treasury Oversight Committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

**2.55.090 Severability**

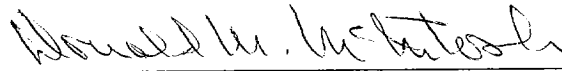
If any provision, clause, sentence, or paragraph of this ordinance or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions or application of the provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

**Ordinance Section Three:** This ordinance shall take effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once with the names of the members of the Board of Supervisors voting for and against the ordinance in the Mountain Messenger, a newspaper of general circulation published in the County of Sierra, State of California.

Introduced at a regular meeting of the Board of Supervisors held on the 4th day of June, 1996, and passed and adopted by the Board of Supervisors of the County of Sierra, State of California, on the 18th day of June , 1996, by the following roll call vote, to-wit:

AYES: Supervisors McIntosh, Luchessi, McCaffrey, Bowling, Whitley  
NOES: None  
ABSTAIN: None  
ABSENT: None

COUNTY OF SIERRA



Donald McIntosh, Chairman  
Board of Supervisors

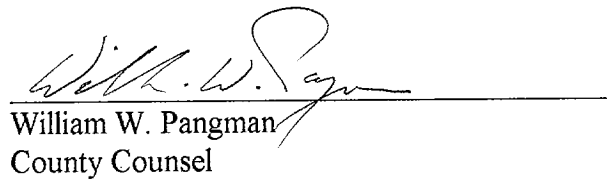
ATTEST:

APPROVED AS TO FORM:



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Mary J. Jangi  
Clerk of the Board



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William W. Pangman  
County Counsel

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