

RESOLUTION NO. 2019-_____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BENITO, STATE OF CALIFORNIA, RE-AUTHORIZING THE SAN BENITO COUNTY TREASURY OVERSIGHT COMMITTEE, AND SUPERSEDING BOARD RESOLUTION NOS. 96-21, 97-30, 2004-4, AND 2016-71

WHEREAS, the Legislature of the State of California declared in 1996 that county treasuries operate in the public interest when they pool deposits from local agencies and other participants to consolidate banking and investment activities, reduce duplication, achieve economies of scale, and carry out coherent and consolidated investment strategies and, stating that it is important to achieving these goals that local agencies, including school districts, participate in reviewing the policies that guide the investment of those funds, the Legislature adopted California Government Code sections 27130 et seq. mandating creation of county treasury oversight committees; and

WHEREAS, on February 27, 1996, the San Benito County Board of Supervisors (the “Board”) responded to the foregoing mandate by adopting Resolution No. 96-21 which established the San Benito County Treasury Oversight Committee (the “TOC”) in accordance with California Government Code sections 27130 et seq.; and

WHEREAS, on March 25, 1997, the Board adopted Resolution No. 97-30 which also established the TOC in accordance with California Government Code sections 27130 et seq.; and

WHEREAS, on January 13, 2004, the Board adopted Resolution No. 2004-4 and confirmed the Treasurer’s nominations for membership; and

WHEREAS, effective September 29, 2004, the Legislature amended California Government Code section 27131, subdivision (a) to make establishment of treasury oversight committees voluntary rather than mandatory, but subdivision (b) encouraged local agencies to continue the function in recognition of the state and local interests served; and

WHEREAS, on August 23, 2016, the Board adopted Resolution No. 2016-71 which re-established the TOC in accordance with California Government Code sections 27130 et seq., confirmed the Treasurer’s nominations for membership, and amended and superseded Resolution No. 2004-4; and

WHEREAS, in the intervening years, certain practical issues have arisen relating to TOC organization, selection of members, and internal operations; and

WHEREAS, by formally reauthorizing the establishment of the TOC as a voluntary San Benito County advisory committee conforming to California Government Code sections 27130 et seq. as currently amended, and setting forth the membership size, method for selection of members and alternates, providing a process for adoption of bylaws, and delineating in a more transparent fashion both the duties and the constraints imposed by state law on the TOC and its members, the practical issues stated above will be resolved.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of San Benito as follows:

1. **Re-Authorization of the San Benito County Treasury Oversight Committee.** The Board hereby reauthorizes establishment of the San Benito County Treasury Oversight Committee (“TOC”) as an advisory committee permitted, but not mandated, by California Government Code section 27131, subdivision (a). Notwithstanding anything to the contrary in Board policies relating generally to advisory committees and commissions, the TOC shall continue to exist until expressly disbanded by resolution of the Board.
2. **Duties of the TOC.** The function of the TOC shall be limited to performance of the following duties:
 - (a) **Review and Monitoring of Investment Policy.** Pursuant to California Government Code section 27133, the TOC shall review and monitor the investment policy prepared annually by the San Benito County Treasurer.
 - (b) **Annual Audit.** Pursuant to California Government Code section 27134, the TOC shall cause an annual audit to be conducted to determine the San Benito County Treasury’s compliance with California Government Code sections 27130-27137, which may include issues related to the structure of the investment portfolio and risk.
 - (c) **Monthly Investment Report Review.** To assist the TOC members in carrying out the functions of the TOC under this Section, the San Benito County Treasurer is encouraged to provide a copy of the monthly investment report prepared by him/her to each member of the TOC. Questions arising from such reviews may be raised by the members and addressed by the San Benito County Treasurer or staff collectively to the members and the public at TOC meetings.
 - (d) **Brown Act.** The TOC shall hold a minimum of one (1) regular meeting per fiscal year. Any TOC meeting shall, pursuant to California Government Code section 27132.4, be open to the public and subject to the Ralph M. Brown Act (California Government Code section 54950 et seq.), commonly known as the “Brown Act.” At its first meeting of each fiscal year, the TOC shall elect a presiding officer who will, with the assistance of the County Treasurer, schedule and conduct future meetings. The TOC may provide for more frequent regular meetings by bylaw and for special meetings as needed upon request by the San Benito County Treasurer or the presiding officer of the TOC.
 - (e) **Activities Outside the Jurisdiction of the TOC.** The TOC is not authorized (either by this Board or by California Government Code sections 27130-27137) to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the San Benito County Treasurer and Treasury. For purposes of this Resolution and the Brown Act, such subjects and activities are considered to be outside the jurisdiction of the TOC.
 - (f) **Form 700 Filing.** Members of the TOC are required to file a Form 700 – Statement of Economic Interest.
 - (g) **Bylaws.** The TOC may adopt, and may amend from time to time as it deems necessary, bylaws for the internal organization of and conduct of business by the TOC. Such bylaws

and any amendments thereof shall not be effective until confirmed by the Board of Supervisors.

3. **Membership and Terms.** The TOC shall consist of three (3) members plus one (1) alternate for each member who shall act in the member's absence. Each member, and their alternate, shall serve at the pleasure of the Board. The members and alternates shall be nominated by the San Benito County Treasurer and confirmed by the Board of Supervisors from the following categories, with the term of membership specified:

(a) **Member #1: San Benito County Auditor-Controller**

- i. **Auditor-Controller.** This member of the TOC shall be the San Benito County Auditor-Controller. The term of this member of the TOC shall:
 - (A) Run concurrently with his/her term as the San Benito County Auditor-Controller; and
 - (B) Shall continue to run if he/she is re-elected as the San Benito County Auditor-Controller without a break in service.
- ii. **Alternate.** This alternate member of the TOC shall be the Assistant Auditor-Controller. The term of this alternate member of the TOC shall run concurrently with his/her employment as the Assistant Auditor-Controller.

(b) **Member #2: Representative of the San Benito County Board of Supervisors**

- i. **Board Supervisor.** This member of the TOC shall be a member of the San Benito County Board of Supervisors. The term of this member of the TOC shall be for one-year, commencing on April 1 and ending March 31.
- ii. **Alternate.** This alternate member of the TOC shall be another member of the San Benito County Board of Supervisors, and, upon nomination by the County Treasurer and confirmation by the Board of Supervisors, shall be appointed to a one-year term commencing on April 1 and ending on March 31.

(c) **Member #3: San Benito County Superintendent of Schools**

- i. **Superintendent of Schools.** This member of the TOC shall be the San Benito County Superintendent of School. The term of this member of the TOC shall:
 - (A) Run concurrently thereafter with his/her term as San Benito County Superintendent of Schools; and
 - (B) Shall continue to run if he/she is re-elected as the San Benito County Superintendent of Schools without a break in service.
- ii. **Alternate.** This alternate member of the TOC shall be the Assistant Superintendent, Business Services. The term of this alternate member of the TOC shall run concurrently with his/her employment as the Assistant Superintendent, Business Services.

4. **Prohibited Activities of Members and Alternates.** Members and alternates shall not engage in the following activities:

- (a) Employment by Campaign Contributors. Pursuant to California Government Code section 27132.1, a member or alternate member of the TOC may not be employed by an entity that has either contributed to the campaign of a candidate for the office of San Benito County Treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the San Benito County Treasury, in the previous three (3) years or during the period that the employee is a member (or alternate member) of the TOC. Such employment shall disqualify a person from being nominated by the County Treasurer or confirmed by the Board of Supervisors as a member (or alternate member) of the TOC. Violation during the term of membership on the TOC shall disqualify the member (or alternate member) from remaining on the TOC.
- (b) Fundraising. Pursuant to California Government Code section 27132.2 as interpreted by the California Attorney General in 80 Ops. Cal. Atty. Gen. 60 (March 20, 1997), a member or alternate member of the TOC may not directly or indirectly raise money for a candidate for San Benito County Treasurer or for a member of the governing board of any local agency that has deposited funds in the San Benito County Treasury while a member (or alternate member) of the TOC, except that a member (or alternate member) of the TOC who is a member of the Board of Supervisors, the elected County Auditor-Controller, the County Superintendent of Schools, or is an elected school board or special district member who is serving on the TOC to represent the school districts or special districts may contribute personal funds to or raise funds for his or her own re-election campaign and may attend or speak at a public campaign event in support of his or her own candidacy. Violation of this section shall disqualify the member (or alternate member) from remaining on the TOC.
- (c) Employment in Financial Services Industry. A member (or alternate member) of the TOC may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms with whom the San Benito County Treasurer is doing business during the period that the person is a member (or alternate member) of the TOC or for one year after leaving the TOC. Violation of this section shall disqualify the member (or alternate member) from remaining on the TOC.

5. **Unscheduled Vacancy.** If, prior to the expiration of his/her term, a member (or alternate member) ceases to retain the status which qualified the member (or alternate member) for appointment to the TOC, the person's membership (or alternate membership) shall terminate and there shall be vacancy on the TOC to be filled for the remainder of the term through nomination by the San Benito County Treasurer and confirmation by the Board in the same manner as provided in Section 3 of this Resolution. Notice of the unscheduled vacancy shall be given in accordance with California Government Code section 54974.

6. **Effective Date of Resolution; Prior Resolutions Superseded.** This Resolution shall be effective upon signature of the Chairperson of the Board of Supervisors and shall supersede Resolution Nos. 96-21, 97-30, 2004-4, and 2016-71.

THE FOREGOING RESOLUTION WAS DULY PASSED AND ADOPTED by the Board of Supervisors of the County of San Benito, State of California, at a regular meeting of the Board held on the ____ day of _____, 20____, by the following vote:

AYES: SUPERVISOR(S)
NOES: SUPERVISOR(S)
ABSENT: SUPERVISOR(S)
ABSTAIN: SUPERVISOR(S)

Date: _____

By: _____

Mark Medina, Chair
San Benito County Board of Supervisors

ATTEST:
Janet Slibsager, Clerk of the Board

APPROVED AS TO LEGAL FORM:
Barbara Thompson, County Counsel

By: _____
Janet Slibsager

By: _____
Sarah M. Dickinson, Deputy County Counsel