



TULARE COUNTY
Treasury Oversight Committee

BYLAWS

ADOPTED APRIL 1996
AS AMENDED May 1, 2014

Treasurer-Tax Collector
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PREFACE

In the fall of 1995, the California State Legislature found and declared that local agencies, including school districts, should participate in reviewing the policies that guide the investment of their funds. The Legislature further found and 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. The Legislature further found and declared that the creation of County Treasury Oversight Committees would promote the public interest by involving depositors in the management of their funds and would enhance the security and investment return on their funds by providing a more stable and predictable balance for investment by requiring reasonable criteria for the withdrawal of funds. The Legislature then amended state law with the addition of Article 6, Chapter 5 of Division 2 of Title 3 of the California Government Code, including Sections [27130 through 27137](#).

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AUTHORITY

This committee was established by the Tulare County Board of Supervisors by adopting County Ordinance [1-05-1070](#) on March 19, 1996 by Resolution No. 96-0240 in response to Chapter 5, Article 6 of the California Government Code (Code).

MISSION STATEMENT

The County Treasury Oversight Committee is committed to enhancing the security and investment return of the Tulare county pooled investment portfolio by maintaining an independent process for review of the County Treasurer's Investment Policy and for causing an annual investment compliance audit.

PURPOSE

The purpose of the Committee is to carry out the requirements of the Code as listed in Chapter 5, Article 6, Sections [27130 and 27137](#), which includes:

1. The Committee shall annually review and monitor the Tulare County *Annual Investment Policy of the Pooled Investment Fund* rendered by the Treasurer.
2. The Committee shall cause an annual audit to determine the Treasurer's compliance with the Investment Policy and applicable sections of the California Government Code.
3. The Committee shall review the *Treasurer's Quarterly Investment Reports*.

MEMBERSHIP

The Membership is composed of seven members ([Ordinance 1-05-1070\(a\)](#) and [Government Code Section 27132](#)).

1. The Auditor-Controller/Treasurer-Tax Collector.
2. A representative appointed by the Board of Supervisors
3. The County Superintendent of Schools or his or her designee.
4. A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County.

5. 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.

Two (2) members of the public with expertise in, or an academic background in, public finance. [The Terms](#) of the membership is as follows:

1. Member in categories 1 thru 5 above maintain their Committee status as long as they continue to hold their offices or designations.
2. The two (2) public members in category 6 will serve a three year term and may be reappointed to serve additional three year terms at the pleasure of Board of Supervisors.

[Nomination](#) of the members shall be done by the Auditor-Controller/Treasurer-tax Collector and confirmed by the Board of Supervisors ([Government Code Section 27131](#))

POWERS AND DUTIES OF MEMBERS AND OFFICERS

All members will have an equal voice in the decision-making process.

1. The committee shall review and monitor the investment policy prepared annually by the Treasurer/Tax Collector. ([Government Code Section 27133](#))
2. The committee shall review any investment report provided by the Treasurer/Tax Collector as required by the Board of Supervisors.
3. The committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with Article 6 (commencing with section 27130) of Chapter 5 of Part 3 of Division 2 of Title 3 of the Government Code. The audit may include issues relating to the structure of the investment portfolio and risk. ([Government Code Section 27134](#))
4. Nothing in this section shall be construed to allow the County 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. ([Government Code Section 27137](#))
5. A Chair and Vice Chair shall be appointed for a two-year term.
6. At the July regular meeting, for years ending with even numbers (e.g. 2014, 2016), the Committee will select a Chair and Vice Chair to serve for the following two years.

The Chair's duties include presiding over all Committee meetings, responding to members' requests for information, signing communications on behalf of the Committee.

7. The Chair shall preside over the meetings. In absence of the Chair, the Vice Chair shall preside. In the event that neither is available, the Chair shall select a Chair pro-tem to serve in their absence.
8. The chair shall preserve order at the meetings. The presence of a simple majority of the members will constitute a quorum, which will be necessary to conduct a meeting.

VOTING

Any County officer (Members in categories 1 thru 3 above) who is a member of the Committee may designate his or her assistant, or any deputy with responsibility in cash management, public finance or investment, as his or her alternate to represent such officer at any meeting of the Committee ([County Ordinance Code 1-05-1070\(b\)](#)). In the absence of these active members, any accredited deputy so designated in writing by the active member shall have the capacity and full voting privileges of the active member. ([Appendix C - Proxy Sample](#)).

ATTENDANCE

A call to the Committee's Secretary (as appointed by the Treasurer) prior to a regular meeting, anticipating an absence from a meeting constitutes an excused absence. Three unexcused absents in any fiscal year is considered unacceptable and may lead to a request for resignation.

RESIGNATION

A resignation from a Committee member may be submitted at any time by giving written notice to the Chair. A resignation shall be effective upon receipt of the written request. The Chair shall notify the Board or appropriate agency as soon as possible regarding the vacancy.

FILLING VACANCIES

Vacancies occurring during the terms of appointment shall be filled as soon as practicable, as determined by the category of the Committee member position that is vacant.

COMPENSATION

The members of the Committee volunteer to serve without compensation.

MEETINGS

1. **Regular Meetings** will be scheduled on the fourth Thursday of the month after each calendar quarter end, or as soon thereafter, as possible. If a quorum is not available for a regular meeting, the Treasurer-Tax Collector, with concurrence of the Committee Chair, may approve the cancellation of that quarter's scheduled meeting, as long as there is minimum of two quarterly meetings held in a calendar year. Each October, the Secretary shall deliver a calendar listing of all quarterly meetings for the following calendar year to every member of the Committee.
2. **Special Meetings** may be called by the Chair or on the written request of two or more Committee members. All committee members will be provided with written notice with a minimum 48 hours in advance of the meeting and the agenda will be posted in appropriate locations. The agenda shall state the time, place, and business to be transacted at the meeting, and no other business shall be considered at the special meeting.
3. **Teleconferencing** may be used by the Committee for its meeting as authorized by the Brown Act.

Convening Meetings

Meeting notices will be posted and delivered to the Committee at least 72 hours in advance. Only items included in the written notice may be discussed and considered. The Committee may discuss a non-agenda item at a regular meeting if, pursuant to Government Code Section 54954.2(b)(2), upon a determination by a two thirds vote of the members, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Committee subsequent to the agenda being posted.

Open Meetings

All Committee meetings are open to the public and are subject to the Ralph M. Brown Act (Title 5, Division 2, Part 1, Chapter 9, commencing with Section 54950). ([Government Code Section 27132.4](#)) Members of the public may address the Committee; however, each person is limited to three minutes unless an extension is granted by the Chair.

Quorum

A quorum is no less than a simple majority of the total current membership. Action may be taken by a majority of those present voting and by no less than a majority of the quorum.

Staff Support

1. The Committee's Secretary (appointed by Treasurer) will keep minutes of each meeting and offer them for Committee approval at the subsequent meeting.
2. Committee's Secretary shall schedule Committee meetings and see that adequate meeting facilities are provided and are in compliance with the Brown Act.
3. To the extent possible, County staff will provide technical and administrative support to the Committee.

PARLIAMENTARY PROCEDURE

The Committee meetings shall be governed by Roberts' Rules of Order, the Modern Edition, and the Chair shall decide question of order (unless overridden by a simple majority of the members present) consistent with such rules.

CONFLICT OF INTEREST

1. Each committee member will be subject to file the appropriate Conflict of Interest financial disclosure form with the Clerk of the Board of Supervisors in a timely manner. Failure to do so may invalidate Committee membership. Further, if any Committee member is found in breach of these disclosures, they must resign from this Committee.
2. A Committee member may not be employed by an entity that has:

- a. Contributed to the campaign of a candidate for the office of local treasurer, or
 - b. 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 county treasury, in the previous three years or during the period that the employee is a member of the Committee. ([Government Code Section 27132.1](#))
3. A Committee member may not directly or indirectly raise money for a candidate for local treasurer or member of the governing board of any local agency that had deposited funds in the County Treasury while a member of the Committee. ([Government Code Section 27132.2](#))
4. A member of the Committee may not secure employment with , or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms with whom the treasurer is doing business during the period that the person is a member of the Committee for one year after leaving the Committee. ([Government Code Section 27132.3](#))

AMENDMENT OF BYLAWS

Proposed amendments to these bylaws must be delivered at least 72 hours in advance of a regular or special meeting to every member. Amendments require a simple majority vote of those present and voting for passage.

CERTIFICATION

Bylaws adopted by the Tulare County Oversight Committee April 1996. Amended

_____.

John Snavely, Chair
Tulare County Treasury Oversight Committee

APPENDIX A

GOVERNMENT CODE SECTION 27130-27137 As of June 20, 2013

CHAPTER 5. COUNTY TREASURER

Article 6. County Treasury Oversight Committees..... [27130-27137](#)

27130. The Legislature finds and declares that local agencies, including school districts, should participate in reviewing the policies that guide the investment of those funds. The Legislature further finds and declares 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. The Legislature further finds and declares that the creation of county treasury oversight committees will promote the public interest by involving depositors in the management of their funds and by 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.

27131. (a) The board of supervisors in each county or city and county may, if the county or city and county is investing surplus funds, establish a county treasury oversight committee. The board of supervisors, in consultation with the county treasurer, shall determine the exact size of the committee, which shall consist of from 3 to 11 members, and the categories from which the members shall be represented, as specified in subdivisions (a) to (g), inclusive, of Section 27132. Members shall be nominated by the treasurer and confirmed by the board of supervisors.

(b) In recognition of the state and local interests served by the action made optional in subdivision (a), the Legislature encourages local agencies to continue taking the action formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

27132. The county treasury oversight committee, pursuant to Section 27131, shall consist of members appointed from the following:

(a) The county treasurer.

(b) The county auditor, auditor-controller, or finance director, as the case may be.

(c) A representative appointed by the county board of supervisors.

(d) The county superintendent of schools or his or her designee.

(e) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county.

(f) 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.

(g) Up to five other members of the public.

(1) A majority of the other public members shall have expertise in, or an academic background in, public finance.

(2) The other public members shall be economically diverse and bipartisan in political registration.

27132.1. A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) 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 county treasury, in the previous three years or during the period that the employee is a member of the committee.

27132.2. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the committee.

27132.3. A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

27132.4. Committee meetings shall be open to the public and subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

27133. In any county that establishes a county treasury oversight committee pursuant to this article, the county treasurer shall annually prepare an investment policy that will be reviewed and monitored by the county treasury oversight committee. The investment policy shall include all of the following:

(a) A list of securities or other instruments in which the county treasury may invest, according to law, including the maximum allowable percentage by type of security.

(b) The maximum term of any security purchased by the county treasury.

(c) The criteria for selecting security brokers and dealers from, to, or through whom the county treasury 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 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, 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 treasury conducts business by any member of the county 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 county 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 Section 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 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.

27134. The county treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with this article. The audit may include issues relating to the structure of the investment portfolio and risk.

27135. The costs of complying with this article shall be county charges and may be included with those charges enumerated under Section 27013.

27136. (a) 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.

(b) The county treasurer shall evaluate each proposed withdrawal for its consistency with the criteria adopted pursuant to subdivision (h) of Section 27133. Prior to approving 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.

27137. Nothing in this article shall be construed to allow the county 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.

APPENDIX B

County of Tulare Ordinance

ARTICLE 2. TREASURY OVERSIGHT COMMITTEE

1-05-1070 ESTABLISHMENT OF TREASURY OVERSIGHT COMMITTEE:

(a) As authorized by section 27131 of the Government Code, there is hereby established in the County of Tulare a County Treasury Oversight Committee. The committee shall consist of seven (7) members appointed from the following:

- (1) The Auditor-Controller /Treasurer-Tax Collector
- (2) A representative appointed by the Board of Supervisors.
- (3) The County Superintendent of Schools or his or her designee.
- (4) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County.
- (5) 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.
- (6) Two (2) members of the public with expertise in, or an academic background in, public finance.

(b) Members shall be nominated by the Auditor-Controller/Treasurer-Tax Collector and confirmed by the Board of Supervisors. Any County officer who is a member of the committee may designate his or her assistant, or any deputy as his or her alternate to represent such officer at any meeting of the committee.

(Added by Ord. No. 3156, effective 4-19-96; amended by Ord. No. 3249, effective 1-18-01)

1-05-1071 RESTRICTIONS ON COMMITTEE MEMBERS:

(a) A member of the committee may not be employed by an entity that has contributed to an election campaign of the Treasurer/Tax Collector or a member of the Board of Supervisors in the previous three (3) years.

(b) A member of the committee may not directly or indirectly raise money for the Treasurer/Tax Collector or a member of the Board of Supervisors while a member of the committee.

(c) A member of the committee may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms for three (3) years after leaving the committee.

(Added by Ord. No. 3156, effective 4-19-96)

1-05-1072 DUTIES OF THE COMMITTEE:

(a) The committee shall meet regularly at such times and places as are convenient for its members. All meetings shall be open to the public and shall be subject to the Ralph M. Brown Act (Chapter 9, commencing with section 54950, of Part 1 of Division 2 of Title 5 of the Government Code).

(b) The committee shall review and monitor the investment policy prepared annually by the Treasurer/Tax Collector.

(c) The committee shall review any investment report provided by the Treasurer/Tax Collector as required by the Board of Supervisors.

(d) The committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with Article 6 (commencing with section 27130) of Chapter 5 of Part 3 of Division 2 of Title 3 of the Government Code. The audit may include issues relating to the structure of the investment portfolio and risk.

(e) Nothing in this section shall be construed to allow the County 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.

(Added by Ord. No. 3156, effective 4-19-96)

1-05-1073 COSTS OF COMPLIANCE:

The costs of complying with this Article shall be County charges and may be included with those charges enumerated under section 27013 of the Government Code.

(Added by Ord. No. 3156, effective 4-19-96)

APPENDIX C

**COUNTY OF TULARE
TREASURY OVERSIGHT COMMITTEE**

VOTING PROXY FORM

The following Alternate is authorized to vote on my behalf at the designated quarterly meeting of the Tulare County Treasury Oversight Committee

_____ Voting Alternate
_____ Date of quarterly meeting

This Voting Alternate was approved by the member whose signature appears below. This Voting Alternate will be the voting delegate for the meeting date listed above.

The Committee member authorized to fill out this form:

Signature: _____
Print Name: _____
Position: _____
Date: _____

Filing Voting Proxy:

1. Committee Member may submit their voting proxy by either submitting the form at a quarterly meeting
2. Or by sending this form, in advance of the quarterly meeting your delegate will attend, to the Committee Secretary.