



CONTRA COSTA COUNTY

TREASURY OVERSIGHT COMMITTEE

BYLAWS

Amended November 19, 2013
Last reviewed August 15, 2017

In compliance with a Board Order of the Contra Costa County Board of Supervisors, the Contra Costa County Treasury Oversight Committee was established in November 6 of 1995. The intent of the Committee is to allow local agencies, including school and special districts, as well as the public, to participate in reviewing the policies that guide the investment of public funds. These funds are invested by the County Treasurer under the authority granted annually by ordinance at the direction of the Board of Supervisors. The mandate for the existence of the Committee was suspended in 2004 by the State of California; however, the Committee serves an important function and the Treasurer's Office has elected to continue the program.

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TREASURY OVERSIGHT COMMITTEE

BYLAWS

AMENDED ON AUGUST 15, 2017

I. NAME

The name of this committee is the Contra Costa County Treasury Oversight Committee (“Committee”). The Committee is governed by the Ralph M. Brown Act and the Contra Costa County Better Government ordinance.

II. AUTHORITY

This Committee was established by the Contra Costa County Board of Supervisors (“Board”) on November 6, 1995, pursuant to Chapter 5, Article 6 of the California Government Code.

III. PURPOSE

The purpose of the Committee is to carry out the requirements of the Government Code as listed in Chapter 5, Article 6, Sections 27133 and 27134, which include:

- A. Reviewing and monitoring the County Treasurer’s annual investment policy.
- B. Ensuring an annual audit is conducted to determine the County Treasurer’s compliance with Government Code §§27130-27137.

IV. MEMBERSHIP

A. Membership Categories

The Committee will be composed of seven statutory members and three alternates. The members will be nominated by the Treasurer and confirmed by the Board as follows:

Category 1: Appointed officials (two statutory members and one alternate). Category 1 appointed members are the County Superintendent of Schools or his or her designee and a representative and an alternate of the Board or their designee.

Category 2: Elected members (two statutory members and two alternates). Category 2 includes one representative and one alternate elected by a majority of the school and community college districts; and one representative and one alternate elected by a majority of the special districts.

Category 3: Public members (three statutory members). Category 3 includes representatives from the public nominated by the County Treasurer and confirmed by the Board.

All Committee members including alternates will serve at the pleasure of the Board, and may be removed at any time, with or without cause, at the sole discretion of the Board.

B. Subcommittees

The Committee may establish volunteer advisory subcommittees in order to secure specific areas of expertise necessary to meet the objectives of the Committee. The Committee will establish criteria for choosing such subcommittee members.

C. Terms of Office

Category 1 members will maintain their Committee status as long as they continue to hold their elected offices or designations. Category 1 members will serve a four-year term and may be reappointed to serve additional four-year terms.

Category 2 members will be elected to four-year terms and may be reappointed to serve additional four-year terms.*

Category 3 members will be appointed a four-year term and may be reappointed to serve additional four-year terms.*

The initial terms for Category 2 Seat No. 2, special district's representative, and Category 3, Seats No. 1 and No. 2, public representatives, will begin on August 21, 2012, and end on April 30, 2014. The subsequent terms for these seats will be for four years.

V. CONFLICT OF INTEREST

Upon becoming a Committee member, and annually thereafter, each Committee member shall submit a Statement of Economic Interest (FPPC Form 700) with the Clerk of the Board in a timely manner.

The following constitute a conflict of interest:

- A. A member of the Committee may not be employed by an entity that has made a contribution to (a) the campaign of candidates for the office of any local treasurer, or (b) candidates for the 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 §27132.1).
- B. A member of the Committee 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 (Government Code §27132.2).
- C. A member of the Committee may not work for bond underwriters, bond counsel, security brokerages or dealers, or financial services firms with whom the county treasurer does business, either during his or her tenure on the committee or for one year after leaving the Committee. (Government Code §27132.3).

Any member who is disqualified from serving on the Committee as specified A through C shall tender his resignation to the Board immediately.

VI. POWERS AND DUTIES OF COMMITTEE, MEMBERS AND OFFICERS

- A. The Committee has the responsibility of reviewing and monitoring the County Treasurer's annual investment policy. It also ensures an annual audit is conducted to determine the County Treasurer's compliance with Government Code §§27130-27137.

- B. The Committee serves as a sounding board for evaluating the merits of new strategies or investment products, provides its own unique perspective to assist the County Treasurer in his/her overall management of the Treasury Pool assets. However, the Committee shall not direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.
- C. All members will have an equal voice in the decision-making process. Each member is entitled to one vote. Unless a quorum is required, a vote of the majority of those present and qualified to vote will be sufficient for the adoption of any option, resolution or order and to take any other action deemed appropriate to carry forward the objectives of the Committee.
- D. Nomination and election to the office of Chair and Vice Chair will be held at the regularly scheduled May meeting of the Committee, when the current term of each office is expected to expire. Nominations may be made by any acting Committee member. The elections will be held immediately after all nominations have been declared closed.
- E. The Chair and Vice Chair will take office immediately after the Board of Supervisors confirms their election. The term of office for Chair and a Vice Chair is one year.
- F. The Chair will preside at all meetings and proceed with the business of the Committee in the manner prescribed in these bylaws. The Chair will also decide questions of parliamentary procedure, call special meetings and perform other functions and duties as required by law.
- G. The Vice Chair will perform the functions and duties of the Chair in the Chair's absence.
- H. In the event that neither Chair nor Vice Chair is able to preside, the members of the Committee present will by an order entered into the minutes select one of the members to act as Chair Pro Tem. The Chair Pro Tem will have all the powers and duties of the Chair during the Chair's absence or inability to act.
- I. Should the Chair or Vice Chair cease to be a member of the Committee, the remaining members of the Committee will elect a Chair or Vice Chair at the next meeting of the Committee. The officer will serve for the unexpired portion of the term of Chair or Vice Chair.

VII. ATTENDANCE AND ALTERNATES

Members of the Committee shall attempt to attend all meetings. If any member of the Committee is unable to attend, he must make reasonable effort to notify the Chair or Committee's Secretary (as appointed by the County Treasurer) prior to the meeting.

An Alternate member shall attend in place of a statutory member as to whom the Alternate is delegated only when notified of the statutory member's anticipated absence at a meeting. An Alternate member is encouraged to attend any Committee meeting but is not entitled to vote unless the statutory member to whom the Alternate is delegated is absent from that meeting. An Alternate member serving at a meeting as to which a matter requiring the Committee action is continued shall be entitled to vote on the matter in lieu of the statutory member until that matter is resolved by the Committee.

VIII. RESIGNATION

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

IX. FILLING VACANCIES

Vacancies will be filled as soon as practicable in accordance with law and Contra Costa County policies and procedures. Alternate members shall be deemed appropriate candidates to act as replacements, subject to the discretion of the Board, unless the Alternate member declines such candidacy.

X. MEETINGS

A. Scheduled Times and Exceptions

- 1) Regular meetings of the Committee will be held on the third Tuesday of the second month following each quarter end, or as soon thereafter as practicable. A minimum of two quarterly meetings must be held in a calendar year. If a quorum is not available for a regular meeting, the County Treasurer, with the concurrence of the Committee Chair and Board's Representative, may approve the cancellation of that quarter's scheduled regular meeting. Each November, the Secretary shall deliver a calendar listing of all quarterly meetings for the following calendar year to every member of the Committee as well as to the Clerk of the Board.
- 2) Special meetings of the Committee may be called by the Chair or upon the written request of two or more Committee members. All members of the Committee and the media will be provided with written notice 24 hours in advance of the meeting and the agenda shall be posted in appropriate locations. The agenda will state the time, place, and business to be transacted at the meeting, and no other business will be considered at the special meeting.

B. Notification, Agenda, Urgency Items, Order of Business

- 1) Agenda. The agenda for regularly scheduled meetings will be delivered to the Committee members in advance of meetings. At a minimum, the agenda must contain the date, time, and location of the meeting and the items of business to be considered. The agenda will be posted 96 hours in advance of each meeting at the County Administration Building's entrance, the lobby of the County Finance Building, and on the Treasurer-Tax Collector's website at www.cctax.us.
 - a. Members may direct subjects for inclusion in the agenda to the Chair at least two weeks prior to the meeting. Subjects proposed by members automatically will be placed on the agenda.
 - b. Subjects proposed for discussion by persons who or organizations that are not Committee members will be placed on the agenda if approved by the Chair. Any written requests for placement on the agenda that are denied by the Chair will be identified in the agenda under "Correspondence" and read or made available at the meeting upon the direction of the Chair, or upon a majority vote of the Committee members.
- 2) Urgency Items. The Committee may discuss a non-agenda item at a regular meeting only if, pursuant to Government Code §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, there is a need to take immediate action and the need to take action came to the attention of the Committee subsequent to the agenda being posted.

3) Order of Business. The typical order of business at all regular meetings of the Committee will be as follows:

- Public comment
- Approval of previous meeting's minutes
- Discussion of items for action/approval
- Review of information items
- Miscellaneous
- Adjournment

C. Public Participation

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). Members of the public may address the Committee; however, each person is limited to three minutes unless an extension is granted by the Chair. All remarks will be addressed to the committee as a body and not to any specific members. No person, other than a member of the Committee and the person addressing the committee shall be permitted to enter into any discussion without the permission of the Chair.

D. Quorum

A quorum is a simple majority of the total statutory membership or their respective alternates. A quorum of the Committee must be present to approve any Action Items on the agenda. Any action of the Committee must be adopted by the affirmative votes of at least a majority of the quorum present, except that members present may adjourn to another date.

E. Compensation

Members volunteer to serve on the Committee. Members will not receive any compensation for their service.

F. Treasurer's Staff Support

- 1) The Committee's Secretary (county staff appointed by the Treasurer) will keep minutes of each meeting and offer them for Committee approval at the subsequent meeting.
- 2) County staff will reserve meeting locations and see that adequate facilities are provided and are in compliance with the Brown Act, inclusive of all amendments.
- 3) To the extent possible, County staff will provide technical and administrative support to the Committee. Such support may include serving as secretary of the Committee, keeping accurate and sufficient records of all proceedings; receiving and transmitting all correspondences; maintaining files for all reports, and such other duties as are usually incidental to the staff.

G. Quarterly Investment Reports

Quarterly Investment Reports will be distributed to Committee members seven (7) calendar days in advance of the next scheduled meeting. The Reports may be sent in a manner acceptable to the

members, either via inter-office mail, U.S. Mail, or e-mail. The reports will also be posted on the Treasurer's website at www.cctax.us.

XI. AMENDMENT OF BYLAWS

- A. These bylaws may be amended based on the recommendation of the Committee and subject to the approval of the Board of Supervisors. Written notice of proposed amendment will be submitted to all members of the Committee at least seven (7) days prior to the meeting at which the proposed amendment will be considered. Written notice of a proposed amendment is not required if the proposed amendment is submitted to the Committee at a regular meeting prior to the meeting at which the amendment is considered.
- B. Amendments require a simple majority vote of those present and voting for recommendation to the Board of Supervisor for final approval.
- C. At least one time each calendar year, the Committee shall review, discuss and approve any changes or amendments to the Bylaws. Should any changes or amendments be recommended by the Committee, such changes or amendments shall be presented to the Board for approval.

ADOPTION AND CERTIFICATION

The above bylaws were approved by the Board on August 21, 2012, duly adopted by the Committee on August 21, 2012, and amended on the following dates:

November 19, 2013

May 16, 2017

August 15, 2017

APPENDIX: GOVERNMENT CODE SECTION 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.