

DIVISION OF THE DEPARTMENT OF FINANCE
TREASURER

Excellent and responsive fiscal leadership.

May 23, 2023



Mina Martinovich, CPA
DIRECTOR

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94901

Karen Shaw
FINANCE DIVISION CHIEF

Dear Board Members:

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SUBJECT: Request to approve the FY 2023/24 Statement of Investment Policies governing the Marin County Investment Pool and the Marin County Long-Term Investment Pool

Dear Supervisors,

RECOMMENDATION: Pursuant to Government Code Section 53646, the following are submitted for review and approval:

- FY 2023/24 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Investment Pool; and
- FY 2023/24 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Long-Term Investment Pool.

SUMMARY:

In accordance with California Government Code Section 53646, the Director of Finance may annually render to the Treasury Oversight Committee and the Board of Supervisors a statement of investment policy for review and approval. The primary objectives of the Investment Policy, in priority order, are to maintain the safety of principal, to provide liquidity, and to achieve a return on funds invested. These objectives align with those in State law.

The proposed FY 2023/24 Statement of Investment Policies include both major and non-substantive changes which were reviewed and approved by the Marin County Treasury Oversight Committee (TOC) on May 4, 2023. The authority for the TOC and their responsibilities are contained in Government Codes sections 27130-27137.

1. FY 2023/24 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Investment Pool:
 - Non-substantive changes in various sections to update the wording to align to relevant sections of the California Government Code and Marin County Municipal Code

2. FY 2023/24 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Long-Term Investment Pool:

- Major changes to Section 7, whereby the interest rate of any indebtedness of Allowed Investments (defined in Section 6 of the policy) was changed from "the key rate of Prime plus 1 percent" to "the most current rate of a comparable market investment plus 1 percent."
- Non-substantive changes in various sections to update the wording to align to relevant sections of the California Government Code and Marin County Municipal Code

Additionally, the Annual Statement of Investment Policy is reviewed and monitored monthly by Fitch Ratings, an independent rating agency. We continue with a rating of AAA/S1. The County's 'AAA' rating has been maintained since 1994. The rating received is reflective of the outstanding work of the Treasury unit.

FISCAL / STAFFING IMPACT: None

REVIEWED BY:

<input checked="" type="checkbox"/>	Director of Finance	<input type="checkbox"/>	N/A
<input type="checkbox"/>	County Counsel	<input checked="" type="checkbox"/>	N/A
<input type="checkbox"/>	County Administrator	<input checked="" type="checkbox"/>	N/A

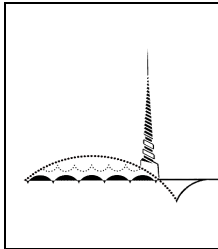
Respectfully submitted,



Mina Martinovich
Director of Finance

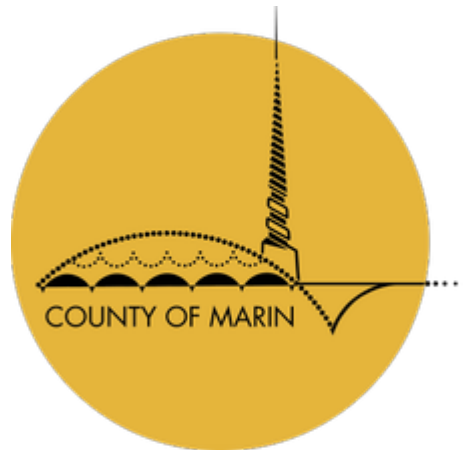
cc: Treasury Oversight Committee:

- Matthew Hymel, County Administrator
- Dan Eilerman, Alternate Representative, County Administrator
- John Carroll, Marin County Superintendent of Schools
- Alyssa Shiffman, Special Districts
- Jean Bonander, Public Member
- Marin County School Districts
- Special Districts
- MCERA



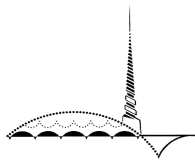
COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



Department of Finance
Mina Martinovich, Director

Fiscal Year 2023-2024



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY



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Under the authority delegated to the Director of Finance by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

1. OBJECTIVES:

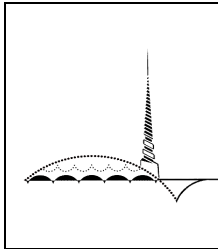
All funds on deposit in the County Treasury shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq. to ensure:

- (a) **Preservation of capital** through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping.
- (b) Maintenance of sufficient **liquidity** to enable the participants and other depositors to meet their operating requirements.
- (c) A **rate of return** consistent with the above objectives.

2. PARTICIPANTS

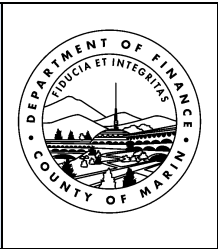
Participants in the Marin County Pool are defined as Marin County, Marin Public School Agencies, Marin Community College, Marin County Office of Education, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Director of Finance and any other district or agency approved by the Board of Supervisors and the Director of Finance using the County of Marin as their fiscal agent.

- (a) **Statutory participants** are those government agencies within the County of Marin for which the Marin County Treasurer is statutorily designated as the Custodian of Funds.
- (b) **Voluntary participants** are other local agencies that may participate in the Pooled Investment Fund, such as special districts and cities for which the Marin County Treasurer is not statutorily designated as the Custodian of Funds. Participation is subject to approval by the Director of Finance, and in accordance with California Government Code Section 53684.



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3. AUTHORIZED PERSONS

Authorized persons for investment purposes include principal staff as designated by the Director of Finance on the Authorized Investor List. Designated Principal Staff shall make all investment decisions. To minimize the risk of disrupting the day-to-day business activities, Principal Staff shall use separate means of travel to attend training and conferences.

All investment decisions shall be made with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the participants.

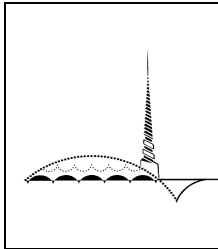
4. BIDS & PURCHASE OF SECURITIES

Prior to the purchase of an investment pursuant to this policy the persons authorized to make investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and thirdly, yield. Investments in commercial paper, banker's acceptances, and certificates of deposit for each issuer shall be limited to five percent (5%) of Treasury assets, determined using the Treasury balance at the time of purchase, with the exception being investments in overnight commercial paper shall be limited to seven percent (7%) of Treasury assets for any one issuer. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated.

5. TERM

Maturities of investments in the Marin County Treasury Pool shall be selected based upon liquidity requirements. The maximum remaining term to maturity for an investment shall be three (3) years; except that, subject to the limitations set forth in Sections 53601 et seq. and 53635 et seq. of the California Government Code, the Director of Finance may authorize investments in U.S. Treasury obligations and/or U.S. and local agency obligations with a maximum remaining term to maturity that shall not exceed five (5) years. The weighted average maturity of the investment pool, to be determined at the time of purchase, shall not exceed 540 days to final maturity/call.

Capital Funds, Construction Funds, or money obtained through the sale of agency surplus property, may be invested by the Director of Finance in specific investments outside of the Pool provided the Director of Finance obtains written approval from the governing board of the County, School District or Special District. No investment shall have a remaining maturity in excess of five (5) years.



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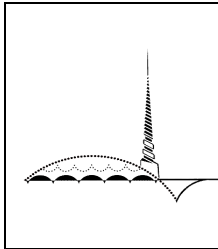


Proceeds of Debt Issues set aside for repayment of any County, School District, or Special District financings shall not be invested for a term that exceeds the term set forth in the financing documents.

6. **ALLOWED INVESTMENTS**

Pursuant to California Government Code Sections 53601 et seq. and 53635 et seq., the County Director of Finance may invest in the following subject to the limitations as set forth:

- (a) **United States Treasury obligations.**
- (b) **United States Agency obligations.**
- (c) **Securities of U.S. Government Agencies & Instrumentalities**
- (d) **State of California Bonds and Registered Warrants.**
- (e) **Bonds, Notes, Warrants** or other evidence of indebtedness of a **local agency** within the State of California.
- (f) **Bankers' acceptances** not to exceed one hundred eighty (180) days to maturity or at the time of purchase thirty percent (30%) of the treasury fund balance.
- (g) **Commercial paper** of "prime" quality of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation, to be chosen from among corporations organized and operating within the United States with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt, other than commercial paper, as provided for by Moody's Investors Service or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed two hundred seventy (270) days in maturity and may not exceed forty percent (40%) of the treasury fund balance.
- (h) **Negotiable certificates of deposit** issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Director of Finance. Negotiable certificates of deposit may not exceed thirty percent (30%) of the treasury fund balance.
- (i) **Non-negotiable certificates of deposit (Time Deposits)** with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation



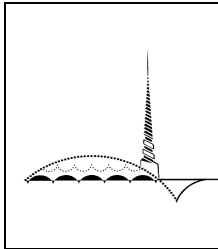
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using criteria employed by the County Director of Finance fully collateralized at one hundred ten percent (110%) of market value with U.S. Government Securities, high-grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at one hundred fifty percent (150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

- (j) **Medium-term Notes** rated "A" or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed thirty percent (30%) of the treasury fund balance.
- (k) **Shares of beneficial interest issued by diversified management companies**, which are money market funds investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking, or the highest letter and numerical rating provided by no less than two nationally recognized statistical rating organizations and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of shares in any one mutual fund may not exceed ten percent (10%) of the treasury balance and the total invested may not exceed twenty percent (20%) of the treasury balance. Shares of beneficial interest issued by diversified management companies may include shares in investment trusts established under provisions of the California Joint Exercise of Powers Act.
- (l) **Repurchase agreements** on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Director of Finance or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality, and liquidity.
- (m) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer's office.
- (n) **Financial Institution Investment Accounts** All funds on deposit with the County shall be managed by the Director of Finance. The Director of Finance may, at his option, at the time of placement, place not more than five percent (5%) of the Treasury assets at the time of investment with a financial institution for the purpose of managing such funds. Securities



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eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a “AAA” credit quality rating, must be held in the County’s name in a third-party custody account, may not have a remaining maturity in excess of three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by designated staff on the Authorized Investor List.

Where a percentage limitation is specified for a particular category of investments, that percentage is applicable only at the time of purchase.

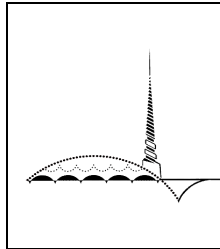
7. **PROHIBITED INVESTMENTS**

- (a) The County Director of Finance **shall not invest** in any **Derivatives** such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.
- (b) The County Director of Finance shall not invest any funds in any security that could result in **zero interest accrual** if held to maturity or where there is a risk of loss of principal when held to maturity.
- (c) **Reverse repurchase agreements**, securities lending agreements and all other investments that are not specifically allowed by this investment policy are prohibited.
- (d) In accordance with Marin County Municipal Code 23.12 Nuclear-Free Zone (Exhibit 1) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a **nuclear weapons contractor**.

Furthermore, said corporations or business entities that the County Director of Finance does invest in must file an affidavit as required by Marin County Municipal Code 23.12.050(b) certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy of each affidavit received shall be sent to the Peace Conversion Commission.

8. **BROKERS**

Broker/dealers shall be selected by the Director of Finance upon recommendation by the Investment Officer or designated principal staff on the Authorized Investor List. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Director of Finance shall be prohibited from selecting



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any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive 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, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. The broker/dealers shall be provided with and acknowledge receipt of the County Investment Policy.

9. WITHDRAWALS

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Director of Finance. The Director of Finance shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors.

Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

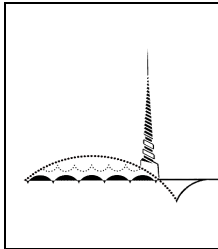
Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. The value of participants' equity withdrawn shall be based on the book value of the participants' percentage of participation as of the most recent asset valuation as reported by the Treasurer.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.



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12. DELIVERY & SAFEKEEPING

Delivery of all securities shall be through a third-party custodian. Non-negotiable certificates of deposit and notes of local agencies may be held in the Director of Finance's safe. The County's safekeeping agent shall hold all other securities. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. Persons authorized under section three (3) who did not originate the investment transaction shall review all confirmations for conformity with the original transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Director of Finance shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

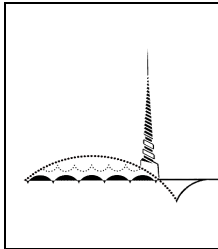
A member of the county treasury oversight committee, the County Director of Finance or County employees working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business, consistent with state law.

15. AUDITS

Pursuant to Government Code 27134, the County of Marin investment portfolio shall be subject to an annual examination by an independent external auditor to determine the County Treasury's compliance with Article 6 of the Government Code. The results of the audit shall be reported annually to the Marin County Treasury Oversight Committee.

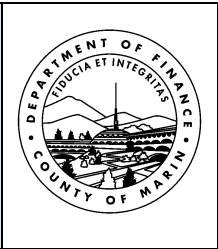
15.1 Compliance Audit: Government Code Section 27134

The Treasury Oversight Committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with the investment compliance requirements presented in Article 6 of the Government Code, Sections 27130 through 27137.



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16. REVIEW

The Director of Finance and designated staff will perform a monthly review of the investment function.

17. REPORTS

The Director of Finance shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Director of Finance shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, Marin Public School Agencies, Special Districts, non-pooled investors, the County’s investment oversight committee, and any other participant upon request.

18. INVESTMENT POLICY

The County Director of Finance shall prepare and submit an annual statement of investment policy to the Board of Supervisors.

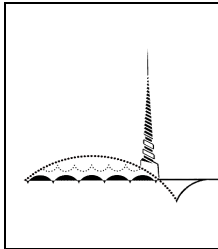
19. TREASURY OVERSIGHT COMMITTEE

Consistent with State law the County has established a Treasury Oversight Committee. The Committee includes representatives from the County of Marin, Superintendent of Schools’ Office, School Districts and Special Districts. The Committee shall review and monitor the Investment Policy as contained in California Government Code Sections 27130 – 27137.

20. DISASTER /BUSINESS CONTINUITY PLAN

The County of Marin’s banking and investment functions are mission critical and as such, the office must have a business continuity plan.

The goal of a disaster/business recovery plan is to protect and account for all funds on deposit with the county treasury and to be able to continue our banking and investment functions for all participants in the event of an occurrence (Earthquake, Fire, Pandemic, or other event) which disrupt normal operations. Our plan provides for the ability to perform our banking and investment function at an off-site location under less-than-optimal conditions and, if needed, even outside our county.



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In the event of an occurrence which precludes staff from being able to operate from our office, the attached plan (Exhibit 2) will be activated. The plan includes:

- Scope
- Chain of Command
- Continuity Procedure
- Functions and Tasks to be performed
- Equipment and Emergency Packets
- Disaster Assignment
- Off-site locations

Normal processes may be modified in response to an occurrence. However, the county's investment policy shall be strictly followed.

Dated: May 23, 2023

Mina Martinovich
Director of Finance

Approved by Marin County Board of Supervisors on May 23, 2023.

Reviewed and monitored by Marin Treasury Oversight Committee on May 4, 2023.

Attachments:

Exhibit 1 - [Marin County Municipal Code 23.12 - Nuclear-Free Zone](#)

Exhibit 2 - Disaster/Business Continuity Plan

Exhibit 3 - Authorized Investor List

Exhibit 1

Chapter 23.12 - NUCLEAR-FREE ZONE

23.12.020 - Purpose and findings.

- (a) The presence of nuclear weapons, or the development, production and/or storage of nuclear weapons-related components and material within the county is in direct conflict with the maintenance of the community's public health, safety, economic well-being, general welfare, and adherence to international law.
- (b) The purpose of this chapter is to establish the county as a nuclear-free zone in which work on nuclear weapons, and/or the storage or transportation of weapons-related components and nuclear material is prohibited, or appropriately restricted.
- (c) This chapter's further purpose is to prohibit or restrict the county from contracting for services or products with, or investing county funds in, any business which is a nuclear weapons contractor.

(Ord. 2924 § 2, 1986)

23.12.020 - Definitions.

As used in this chapter, the following words shall have the following definitions:

- (a) "Component of a nuclear weapon" means any device, radioactive or nonradioactive, originally produced or manufactured for exclusive use as part of a nuclear weapon system, whether to be placed on land, at sea, in the air, or in outer space.
- (b) "County funds," or "public funds" are those moneys, grants and funds received and managed by the county of Marin.
- (c) "Direct activities of the federal government" are the actions of the federal government or of its agencies, but shall exclude the actions of independent contractors.
- (d) "Nuclear waste" is any material which is the byproduct of any nuclear reaction or nuclear weapon production, except for the byproduct of applied nuclear medicine.
- (e) "Nuclear weapon" means any device the intended explosion of which results from the energy released by fission or fusion reactions involving atomic nuclei, including the means of propelling, guiding or triggering the device if the means is destroyed or rendered useless in the propelling, guiding, triggering or detonation of the device.
- (f) "Nuclear weapons contractor" means any person, corporation or other business entity which knowingly or intentionally is engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components. A business entity which is a 100% owned subsidiary branch of, and is therefore completely controlled by, an entity described in the foregoing sentence shall also be deemed to be a nuclear weapons contractor.
- (g) "Person" means any private person, corporation, institution, or other entity, which is within the jurisdiction of the county of Marin.
- (h) "Special nuclear material" or "radioactive material" means any material giving off, or potentially capable of giving off, radiant energy in the form of particles of rays (such as alpha, beta, and gamma rays) by the spontaneous disintegration of atomic nuclei, including accelerator-produced isotopes and byproduct material; and any other material which the Nuclear Regulatory Commission determines to be special nuclear material.
- (i) "Transport and transportation" means transportation by any means over passable roadways, navigable waterways, or in the airspace, that are within the jurisdiction of the County of Marin, except where referred to as meaning roadways, waterways, or airspace regulated by preemptive federal or state law.

(Ord. 3308 § 1, 2000; Ord. 2924 § 3, 1986)

Exhibit 1

23.12.030 - Prohibition against nuclear weapons, materials, and county contracts and investments.

The county of Marin is declared to be a nuclear-free zone.

- (a) No person shall knowingly engage in any activity within the county, the purpose of which is the applied research, development, production, transport, deployment, launching, testing, maintenance or storage of nuclear weapons or components of nuclear weapons. Nor shall any person store, use, transport, or dispose of special nuclear material or nuclear waste within the jurisdiction of the county.
- (b) The transportation of nuclear weapons, their fissionable components, and weapons-related nuclear material and wastes through the county on roadways, waterways, or in airspace regulated by preemptive state or federal law, in the interest of public health and safety, is subject to the following restriction:
 - (1) As to roadways which are within the exclusive jurisdiction of the county, transportation of such materials is prohibited,
 - (2) As to roadways which are demonstrably within the jurisdiction of the state or federal government, the county board of supervisors shall post as a regular monthly notice, once each month, in a newspaper of general circulation within the county the fullest description possible of any shipment of such material that has occurred that previous month, transported through or across the county by any means of transportation whatsoever.
- (c) The county, nor any agent thereof, shall not make any contract with, or investments in, any nuclear weapons contractor.
- (d) The county board of supervisors shall adopt a "peace conversion plan," and shall, within ninety days of the enactment of this chapter, establish a county peace conversion commission of not less than three or more than five members, which shall be comprised of volunteers from the community. The purpose of said commission shall be to divest the county, as a government entity, within two years of the adoption of the ordinance codified in this chapter, of all such existing prohibited investments or contracts held by it. Said commission shall:
 - (1) Conduct studies of existing county contracts and public fund investments with nuclear weapons contractors, and determine in which cases any reasonable alternative contract or investment exists, in a manner consistent with prudent investment policy, and mindful of the intent and purpose of this chapter. The commission shall further make regular reports to the county board of supervisors concerning the progress of said divestiture, listing the book value of remaining investments in nuclear weapons contractors.
 - (2) Identify those businesses presently existing and operating in the county, and those who have made application to the county, who are nuclear weapons contractors. The commission will be responsible for conducting a timely phase-out of nuclear weapons contractors from the county, and for insuring the smooth conversion of Marin County businesses to alternative work that is more consistent with the public welfare. For this purpose the commission shall solicit testimony from the public.

(Ord. 2924 § 4, 1986)

Exhibit 1

23.12.040 - Exclusions.

Nothing in this chapter shall be construed to prohibit:

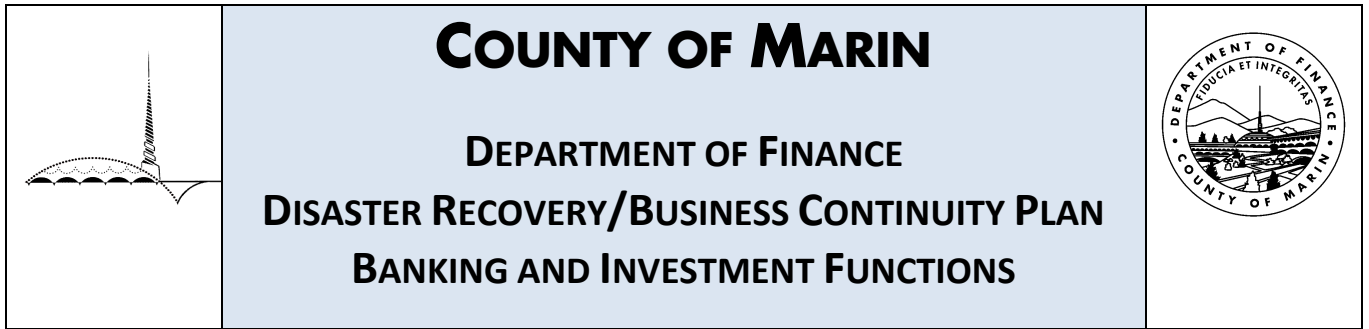
- (a) Any activity not specifically described in this chapter;
- (b) Research in and application of nuclear medicine or other pure research unrelated to nuclear weapons;
- (c) Beneficial or peaceful uses of the technology such as smoke detectors, light-emitting watches and clocks, and other consumer products; or
- (d) Activities of the federal and state governments that are preempted by existing law.

(Ord. 2924 § 5, 1986)

23.12.050 - Notice and enforcement.

- (a) The county is directed to install and maintain appropriate signs to be displayed at each ferry terminal, at Gness Field Airport, and on all the major roads leading into the county, at or near the county line, including, but not limited to, the following:
 - (1) U.S. Highway 101 (both ends);
 - (2) State Highway 1 (both ends);
 - (3) State Highway 17;
 - (4) State Highway 37;
 - (5) Fallon-Two Rock Road;
 - (6) Tamales-Petaluma Road;
 - (7) Chileno Valley Road;
 - (8) Marshall-Petaluma Road;
 - (9) Point Reyes-Petaluma Road; identifying Marin as a nuclear-free zone and making reference to this chapter. Further, the county must notify the federal government and other appropriate authorities that this law has been enacted.
- (b) Before any further public funds shall be invested by the county in the stock, securities or other obligations of any corporation or business entity, the county board of supervisors shall require that said corporation or business submit to the peace conversion commission an affidavit certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors.
- (c) The county is directed to require of each city incorporated within Marin County that, in addition to any other information deemed necessary by its business license officer, that any application for a business license within a city in the county shall state whether or not said business is a nuclear weapons contractor.
- (d) Each violation of this chapter shall be punishable by up to one-year imprisonment and/or a fine of up to five thousand dollars. Each day of violation shall be deemed a separate violation. Residents of Marin shall also have the right to enforce this chapter by appropriate civil actions for declaratory or injunctive relief. Reasonable attorneys' fees in enforcing this chapter shall be awarded as is appropriate.

(Ord. 2924 § 6, 1986)



Scope

The County of Marin’s banking and investment functions are mission critical. As such, the Treasurer’s office must have a Disaster/Business Continuity Plan in place. In the event we are unable to operate from our office, the plan shall be activated. Periodically, the plan shall be tested.

The plan’s goal is to protect and account for all funds on deposit with the county and to be able to continue our banking and investment functions for all participants in the event of occurrence (earthquake, fire, pandemic, or other event) which disrupts normal operations.

Chain of Command

The chain of command shall be in the order of “authorized persons” as identified in the Statement of Investment Policy, item 3.

Continuity Procedure

In the event we are unable to conduct normal business operations, the authorized persons shall interact with one another by home phone, email or cell to decide on the alternate location. If unable to contact one another, the authorized persons shall through the county’s office of emergency services establish contact with one another.

Functions & Tasks to be Performed

Recognizing we may be operating in less than optimal conditions, the primary functions are to protect and continue to account for all funds on deposit with the county. While normal processes may be modified, the investment policy shall be strictly followed.

Tasks to be performed include:

- ◆ Daily cash work up
- ◆ Investment of maturing securities and any daily deposits after making an allowance for checks/wires expected to clear
- ◆ Daily cash and bank reconciliation
- ◆ For deposits, the treasurer’s office will notify county departments, special districts and schools of any changes to their deposit location. Deposits to any account other than those established by the treasurer’s office are prohibited.



- ◆ Disbursement activity will be coordinated with the County Director of Finance

Equipment and Emergency Access

The Authorized Investor List shall designate authorized staff to have the following equipment and online access (through the County server) such that either of them may carry out the plan. In the event that none of the authorized persons are able to respond, the county's office of Emergency Services shall have a copy of this plan in a secured location within their office. All policies and procedures of this plan shall be provided to the County Administrator and County Director of Finance.

The following equipment and access to items for the emergency packets are:

- ◆ Laptop with wi-fi connectivity
- ◆ All software that is currently in use shall be loaded on each laptop and be set up for remote access
- ◆ Online access to the Investment Policy and the Disaster/Continuity Recovery Plan
- ◆ Online access to current monthly report of investments
- ◆ Online access to the county's financial accounting system, online banking and securities safekeeping
- ◆ Online Listing of the home phones and addresses, cell, email addresses of the "authorized persons" and treasury staff. Listings shall also include the County Administrator, County Director of Finance, County Counsel and the Office of Emergency Services.
- ◆ Online access to bank, custodian and authorized broker/dealers names and contact information including phone numbers and email addresses
- ◆ Online access to district, County and school bank signature cards
- ◆ Online access to contact names, numbers, email and addresses of each agency whose funds are held within the county.
- ◆ Emergency check stock will be housed in the Office of Emergency Services located at 1600 Los Gamos Drive (50 checks).*



Disaster Assignment

The “authorized persons” in the treasurer’s office including support staff are to be considered official Disaster workers and are assigned to support our Disaster/Business Recovery Plan. Each shall have on their possession their County of Marin Identification Card.

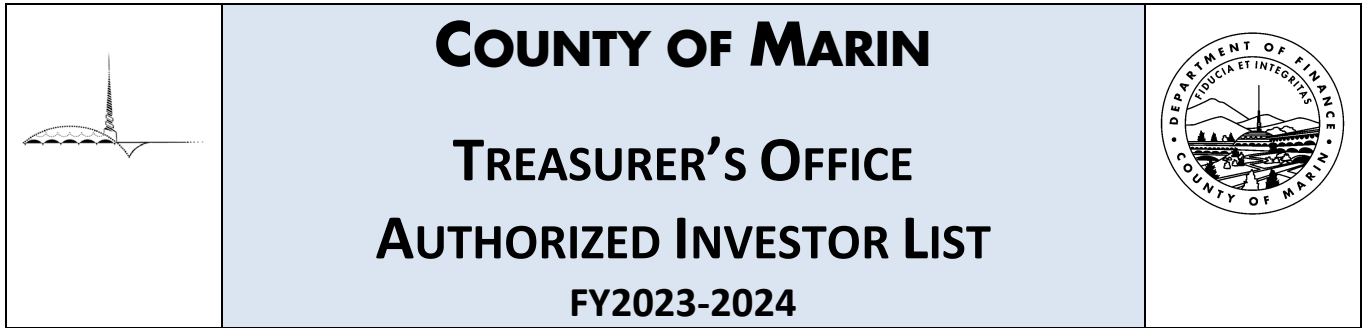
The level of disruption and assigned work location will be determined by the Director of Finance, or those individuals indicated on the Authorized Investor List. All related costs shall be absorbed by the Treasurer’s office and reimbursed pursuant to Government section 27013.

In all cases, the safety of treasury personnel is paramount. In no event should our alternate location or alternate procedure be employed if doing such would put an individual in danger.

* Emergency checks are issued from a separate account which is linked to the County’s main account. These checks are to be used only if this plan is activated and the county is unable to issue payments. Authorized signers for these checks are designated on the Deposit Account Documentation Signature Card and include the Director of Finance, those individuals authorized under the Authorized Investor List and the County Administrator. In the event that check stock cannot be accessed, electronic payments through the County’s banking services can be originated.

Failing the ability to operate from our office, our operations will move to a location determined by the County Office of Emergency Services, Director of Finance or County Administrator.

Origination: Nov 7, 2007
Revised: Oct. 12, 2020



Effective: May 1, 2023

Investment Purposes:

1. To make investment decisions
2. To recommend brokers
3. To perform a review of the investment function

Authorized Persons:

Authorized to make investment decisions for with a maturity of up to five years:

- **Mina Martinovich *** **Director of Finance**

Authorized to make investment decisions for with a maturity of up to three years:

- **Karen Shaw *** **Division Chief, Finance**
- **Sandra Kacharos** **Assistant Director of Finance**
- **Victoria Seils** **Accounting Unit Manager**

Authorized to make investment decisions for short term investments with a maturity of up to one year:

- **Lisa De Carlo** **Division Chief, Fiscal Administrative Services**
- **Bevin Gardner** **Senior Accountant –Treasury**

**Authorized for equipment and emergency packets as defined under the Disaster/Business Continuity Plan*

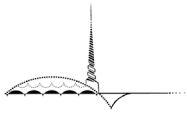
Approved:

 4/27/2023
Mina Martinovich **Date**
Director of Finance



***Department of Finance
Mina Martinovich, Director***

Fiscal Year 2023-2024



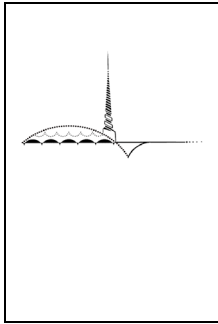
COUNTY OF MARIN

LONG-TERM INVESTMENT POOL STATEMENT OF INVESTMENT POLICY



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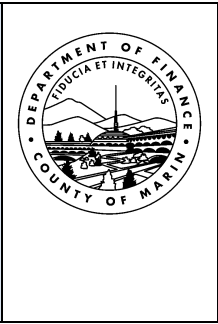
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COUNTY OF MARIN

LONG-TERM INVESTMENT POOL

STATEMENT OF INVESTMENT POLICY



Under the authority delegated to the Director of Finance by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin Long-Term Investment Pool:

1. OBJECTIVES:

All funds on deposit in the Marin County Long-Term Investment Pool shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq. to ensure:

- (a) **Preservation of capital** through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient **liquidity** to enable the participants and other depositors to meet their operating requirements that may be reasonably anticipated; and
- (c) Attaining a market **rate of return** throughout budgetary and economic cycles, consistent with the above objectives.

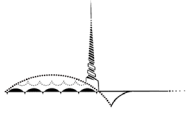
2. PARTICIPANT

The participant in the Marin County Long-Term Investment Pool is the **Marin County General Fund**.

3. AUTHORIZED PERSONS

Authorized persons for investment purposes include principal staff as designated by the Director of Finance on the Authorized Investor List. Designated Principal Staff shall make all investment decisions. To minimize the risk of disrupting the day-to-day business activities, Principal Staff shall use separate means of travel to attend training and conferences.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the participant.



COUNTY OF MARIN



LONG-TERM INVESTMENT POOL STATEMENT OF INVESTMENT POLICY

4. **INVESTMENTS**

Prior to investing pursuant to this policy the persons authorized to make investments shall assess the market and market pricing information obtained from available sources and the media. Investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor, and thirdly, yield. Any investment selected shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All transactions shall be documented at the time the transaction is consummated.

5. **TERM**

Pursuant to California Government Code Section 53601, where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. The approval of this Long-Term Investment Policy on an annual basis by the Legislative Board (Marin County Board of Supervisors) authorizes investments of no more than 10 years for bonds, notes, warrants, or other evidences of indebtedness of a local agency within the County of Marin, including bonds or notes payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the County, or by a department, board, agency, or authority of the County.

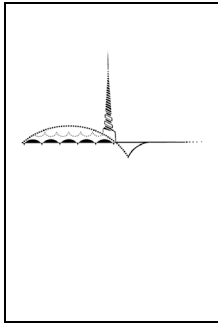
6. **ALLOWED INVESTMENTS**

Pursuant to California Government Code Sections 53601 et seq. and 53635 et seq., the County Director of Finance may directly purchase the following, subject to the limitations as set forth:

Bonds, Notes, Warrants or other evidence of indebtedness of a **local agency** within the County of Marin, California.

7. **RATE**

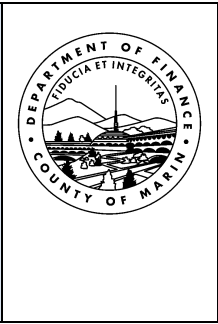
The interest rate of any indebtedness pursuant to the preceding paragraph shall use the most current rate of a comparable market investment plus 1 percent, as determined by Bloomberg on the date the Department of Finance approves the purchase of the indebtedness.



COUNTY OF MARIN

LONG-TERM INVESTMENT POOL

STATEMENT OF INVESTMENT POLICY



8. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to the General Fund annually based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting, whereby interest will be apportioned for the year in which it was actually received. The Director of Finance shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

9. CONFLICT OF INTEREST

The Director of Finance and County employees working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the County Treasury conducts business, that are in violation of state law.

10. AUDITS

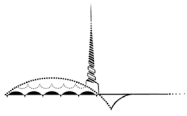
Pursuant to Government Code 27134, the County of Marin investment portfolio, which includes both the County of Marin investment pool and the Long-Term investment pool, shall be subject to an annual examination performed by an independent external auditor to determine the County Treasury's compliance with the investment compliance requirements presented in Article 6 of the Government Code. The results of the audit shall be reported annually to the County Treasury Oversight Committee.

11. REVIEW

The Director of Finance and designated staff will perform a monthly review of the investment function.

12. REPORTS

The Director of Finance shall prepare an annual report, listing all investments in the County Pool as of the last day of the fiscal year and a report of the average days to maturity and yield of investments in the County of Marin Long-Term Investment Pool.



COUNTY OF MARIN

LONG-TERM INVESTMENT POOL STATEMENT OF INVESTMENT POLICY



13. *INVESTMENT POLICY*

The Director of Finance shall prepare and submit an annual statement of investment policy to the Board of Supervisors.

Dated: May 23, 2023

Mina Martinovich
Director of Finance

Approved by Marin County Board of Supervisors on May 23, 2023.

Reviewed and monitored by Marin Treasury Oversight Committee on May 4, 2023.