

COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY

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Policy:

The purpose of this policy is to safeguard public funds by assuring prudent investments and providing proper oversight of these investments. This investment policy applies to all funds held in the County Treasury, and those held in trust outside of the County Treasury. To the extent feasible, all investment reports and policies will be standardized to facilitate review.

I. County Treasurer-Tax Collector Statement of Investment Policy

- A. The County Treasurer-Tax Collector's Statement of Investment Policy shall be the County standard. Any funds held outside of the County Treasury, which are not governed by its own investment policy, shall be subject to the County Treasurer-Tax Collector's Statement of Investment Policy.
- B. The County Treasurer-Tax Collector shall review and update the Statement of Investment Policy annually. The Investment Policy shall be reviewed by the Investment Oversight Committee and approved by the Board of Supervisors annually.

II. Investment Oversight Committee (IOC)

- A. The IOC shall have five to seven members and be chaired by the County Executive Office.
- B. Members of the IOC shall be nominated by the County Treasurer-Tax Collector and confirmed by the Board of Supervisors, as openings occur.
- C. The members of the IOC shall be chosen from among the following:
 - 1. A representative of the County Executive Office (Chair)
 - 2. The County Treasurer-Tax Collector
 - 3. The County Auditor-Controller
 - 4. The County Superintendent of Schools
 - 5. A representative selected by schools and community college districts
 - 6. A representative of the Board of Supervisors
 - 7. A representative selected by special districts with funds in the County Treasury
 - 8. Up to two members of the public

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- D. IOC members shall be advised of, and subject to, the conflicts of interest prohibitions in sections 27132.1 through 27132.3, and 27133(d) of the Government Code, as well as the limits on gifts and honoraria set by the Fair Political Practices Commission (FPPC).
- E. The duties of the IOC shall be those specified in sections 27133 (review of investment policies), 27134 (compliance audits) and 27137 (prohibits members from making investment decisions) of the California Government Code and shall be limited to funds in the County Treasurer-Tax Collector's Pooled Investment Fund, and any other funds outside of the County Treasury whose investment are under the direct control of the County Treasurer-Tax Collector or Board of Supervisors.

III. Investment Oversight Committee Meetings

- A. IOC meetings shall be convened at least quarterly or as necessary upon the call of the Chair.
- B. The Chair of the Committee will be responsible for preparing and distributing the agenda for each meeting.
- C. Members of the IOC shall designate staff to represent them by notifying the Chair, in writing, of the name and title of those that are authorized. Upon written notification, the designee will be approved to represent and vote on behalf of the member in the event of their absence.
- D. Each agency/fund investment officer or designated staff will attend IOC meetings to respond to questions posed by the Committee.
- E. In addition to, and with the approval of the County Treasurer-Tax Collector, the IOC may retain experts or consultants on an as needed basis.
- F. As a Board established Committee, the IOC is subject to, and will comply with, all provisions of the Brown Act.

IV. Annual Investment Audit

- A. The IOC shall cause an annual investment audit to be performed, and shall review the audit report prior to it being presented to the fund's governing board.
- B. The annual investment audit shall be performed in accordance with California Government Code 27134 and shall include the following:

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1. Accurate identification and classification of all securities noted on portfolio reports.
2. Accurate market value pricing of the securities, as well as to identify the source of the pricing information.
3. Confirmation of the present ratings assigned by the nationally recognized statistical rating organizations (NRSROs) on all commercial paper, medium terms notes, money market funds, municipal securities, and investment agreement contracts.
4. Confirmation that maturities on investments coincide with cash-flow requirements, (i.e., debt service and claim disbursement requirements).
5. Determination that policies governing bond fund investments are current and internal control measures are deemed adequate.

C. The following entities shall be required to perform an annual investment audit:*

1. County Treasurer-Tax Collector's Pooled Investment Fund
2. County of Riverside Asset Leasing Corporation (CORAL)
3. County of Riverside Housing Authority
4. County of Riverside Land Secured Districts
(Community Facilities Districts (CFD)/Assessment Districts (AD))
5. County of Riverside Pension Obligation Bonds
6. Riverside County Flood Control and Water Conservation District
7. Riverside County Infrastructure Financing Authority (IFA)
8. Riverside County Public Financing Authority (PFA)
9. Successor Agency to the Redevelopment Agency for the County of Riverside

* Will not apply if zero balances are held across all trustee accounts for each respective bond issue of the reporting entities.

V. Funds Held By Outside Trustees

A. Included Funds

Funds held in trust outside of the County Treasury include those as shown in section III.C.2.- 8. as shown above. These funds shall include (a) proceeds of notes, bonds, or certificates of participation issued by the County of Riverside, joint power authorities, Successor Agency to the Redevelopment Agency of the County of Riverside, and districts and boards under the control of the Board of

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Supervisors, (b) any other funds held in trust, and (c) any funds held by a fiscal agent or trustee for the benefit of the County of Riverside, or any of its districts or boards.

B. Authority to Invest

The authority for the direction and/or executing investments is delegated by the bond indenture, Board Resolution and/or fiscal agent agreement. All bond fund investments are to be performed by the County Executive Office (County Executive Officer or designees which include the Chief Administrative Officer, Chief Finance Officer, or Director of Finance), or agency responsible for the bond administration, unless otherwise directed by the agency's governing board or required by state or federal law.

C. Investment Policy

Each issuing entity as shown in III.C.2.- 8. with funds held by a fiscal agent or trustee will have standard permitted investment language developed by bond counsel in accordance with state and federal law. It shall be included in the indenture which will become the fund's investment policy. All funds held by a fiscal agent or trustee shall comply with the investment language in the indenture.

D. Investment Reports

Each agency shall prepare a quarterly report on its investments for review by the IOC, and a year-end report for its governing board.

VI. Investment Advisors

To the extent authorized by the County Board of Supervisors, an investment advisor may, pursuant to contract, prepare investment reports, provide financial advice and direction on investments to be made, advise on the quality and liquidity of the fund, and the extent to which investment earnings are able to close any negative arbitrage spread. The investment advisor's authority shall be limited and shall not extend to the holding of bond proceeds and portfolio assets.

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Reference:

Minute Order 3.7 of 04/20/99
Minute Order 3.1 of 12/09/03
Minute Order 3.3 of 04/10/07
Minute Order 3.35 of 09/02/08
Minute Order 3.4 of 05/17/22