

San Gabriel Valley Mosquito & Vector Control District
1145 North Azusa Canyon Road, West Covina, CA 91790
April 13, 2018

The Finance Committee
will meet after the Board adjourns

Agenda

- 1. Call to Order and Silent Roll Call**
(District Manager Jared Dever)
- 2. Opportunity for Public Comment on Non-Agenda Items**
(Individual Public Comments may be limited to a 3-minute or less time limit)
During Public Comments, the public may address the Board on any issue within the District's jurisdiction which is not on the agenda. The public may comment on any item on the Agenda at the time that item is before the Board for consideration. There will be no dialog between the Board and the Commenter. Any clarifying questions from the Board must go through the Board President.
- 3. Review the District's Investment Policy, Resolution 94-02, Fiscal Policies, Article XIII, Investments ***
(District Manager)
- 4. Adjournment**

Personnel/Policy Committee

Emmett Badar
Rick Barakat
Jamie Bissner
John Capoccia
Julie Costanzo

Margaret Finlay
Tim Sandoval
Mike Spence
Cynthia Sternquist

CERTIFICATE OF POSTING

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“Materials related to an item on the Agenda submitted after distribution of the agenda packet are available for public inspection in the San Gabriel Valley Mosquito & Vector Control District Office located at 1145 North Azusa Canyon Road, West Covina, CA 91790 during normal business hours.”



Esther Elliott
Clerk of the Board,
San Gabriel Valley MVCD Board of Trustees

**San Gabriel Valley Mosquito and Vector Control District
Board of Trustees Meeting**

Date: April 13, 2018 **Item 3**

Meeting of: San Gabriel Valley Mosquito & Vector Control District
Board of Trustees Finance Committee

Subject Annual Review of the District Resolution 94-02, Fiscal Policies, Article XIII, Investment Policy

Background

San Gabriel Valley Mosquito & Vector Control District Board of Trustees Finance Committee annually reviews District's Resolution 94-02, Fiscal Policies, Article XIII, Investments. Any changes or recommendations are reported by the Treasurer to the Board for consideration.

Manager's Recommendation

Consider and make necessary revisions to the District's investment policy and forward it to the Board for approval.

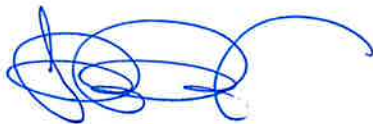
Alternatives

Continue reviewing the policy at another meeting of this Committee.

Fiscal Impact

None

Respectfully submitted,



**Jared Dever
District Manager**

ARTICLE XIII

INVESTMENTS

SECTION 1. Purpose

The Board of Trustees of the San Gabriel Valley Mosquito and Vector Control District (Board) has a fiduciary responsibility to maximize the use of public funds entrusted to its care, manage funds prudently, and protect those funds from financial catastrophe.

The objective of the District's investment program is to invest idle funds as completely as possible, duly considering requirements for safety, liquidity, yield, and cash flow.

SECTION 2. Investment Authority and Guidelines

- A. District funds not required for foreseeable near term expenditures shall be invested or deposited to maximize investment returns. Title 5 Div. 2 Part 1 Chap. 4 Art. 1 Section 53601 of the California Government Code authorizes local agencies to invest its funds.
- B. The Board Treasurer is authorized to invest the District's funds under Div. 9 Part 4 Chap. 1 Art. 2.5 Sec. 16045-16054 of the California Probate Code.
- C. All District investments shall conform to the restrictions set forth in §53601 of the Government Code cited above. The Board Treasurer shall only use the eligible investment instruments listed in Section 4 below.
- D. The Finance Committee shall serve as an oversight Committee and recommend investment instruments to the Board Treasurer and review how investments perform.
- E. The District shall make investments that mature within two years except for notes, bonds, or other obligations of a state or federal governmental entity unless otherwise provided for in Government Code §53601. No more than fifty percent of the District's funds shall be kept in one institution except the Los Angeles County Pooled Investment Fund and Local Agency Investment Fund. Certificates of Deposit at any financial institution shall not exceed \$100,000.

Adopted: January 14, 1994

Amended: 6/10/94, 4/14/95, 8/11/95, 12/8/95, 2/9/96, 12/13/96, 3/13/98, 5/8/98, 10/9/98, 5/14/99, 8/13/99, 9/10/99, 02/08/2013

Funds that are identified in the monthly report as necessary to meet expenditures for the following six months shall be kept in the Los Angeles County Pooled Investment Fund and the Local Agency Investment Fund. If sufficient funds are not available to meet expenditures for the next six months, then investments shall be sold pursuant to Section 5 below and deposited in one or both accounts.

- F. The Board Treasurer shall report monthly to the Board all investments, issuers, date of purchase and maturity, dollar amount invested, yield, and current market value for all securities, investments, and monies held by the District. The monthly report shall fully disclose the level of compliance with the District's investment policy and ability to meet its expenditures for the next six months. Any noncompliance or insufficiency will be fully explained in the report. The Board Treasurer shall sign the monthly report as the preparer of the report.
- G. The Finance Committee, which shall be chaired by the Board Treasurer, shall meet as needed to review all investments, issuers, date of purchase and maturity, dollar amount invested, yield, and current market value for all securities.

SECTION 3. Criteria and the Order of Priority for Selecting Investments

A. Safety

Safety and risk associated with an investment refers to the potential loss of principal and/or accrued interest. The Board Treasurer shall use investment instruments which are considered very safe.

B. Liquidity

Liquidity refers to the ability to convert investments to cash immediately with a minimal loss of principal or accrued interest. The Board Treasurer shall only invest funds that are not required within 12 months from the date of investment. Investments in the Los Angeles County Pooled Investment Fund and the Local Agency Investment Fund are considered liquid.

Adopted: January 14, 1994
Amended: 6/10/94, 4/14/95, 8/11/95, 12/8/95, 2/9/96, 12/13/96, 3/13/98, 5/8/98, 10/9/98, 5/14/99, 8/13/99, 9/10/99, 02/08/2013

C. Yield

Yield is the amount that investments earn. The yield of investments shall be considered after the requirements for safety and liquidity are met. Projected cash flow requirements shall be the primary factor used to determine the term of an investment with yield considered as a secondary factor.

SECTION 4. Allowable Investment Instruments

Local agencies may invest only in those instruments specified by State law. California Government Code dictates how and where public money may be invested (Title 2 Div. 4 Part 2 Chap. 2 Art.11 Sec.16429.1 and Title 5 Div. 2 Part 1 Chap. 4 Art. 1 Sec. 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684). A list of allowable investment instruments according to the above Codes may be found in: California Debt and Investment Advisory Commission. January 2012. *Local Agency Investment Guidelines*. A reference copy shall be available at the District.

SECTION 5. Sale of Investments

Although the District invests with the intent to hold investments to maturity, sale may be required prior to maturity.

- A. Investments may be sold prior to maturity for cash flow purposes.
- B. Losses for a sale before maturity are acceptable if the earnings from reinvesting the funds will exceed the income generated by the old investment and loss of projected interest on the original investment and any penalties for withdrawal before maturity.
- C. The Finance Committee must authorize any sale of investments prior to maturity.

SECTION 6. Safekeeping

All broker-dealers shall be pre-qualified by completing a broker-dealer questionnaire provided by the District. All broker-dealers doing business with the District shall be required to read and acknowledge in writing that they have

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read and understood the investment policy. Investment transactions with a broker-dealer shall be conducted on a delivery versus payment method with the District's third party custodian.

Securities shall be delivered and held in third party safe-keeping by the District's bank. Local agency funds, under the direction of the Board Treasurer will be held in the name of the District with the Board Treasurer executing investment transactions as directed by the Finance Committee.

SECTION 7. Investment Policy Revision

This Investment Policy shall be reviewed annually by the Finance Committee and approved by the Board to ensure that it is relevant and that all investments comply with the law and are consistent with current financial trends.

Adopted: January 14, 1994

Amended: 6/10/94, 4/14/95, 8/11/95, 12/8/95, 2/9/96, 12/13/96, 3/13/98, 5/8/98, 10/9/98, 5/14/99, 8/13/99, 9/10/99, 02/08/2013