ANALYSIS

This ordinance amends the Los Angeles County Code relating to advisory commissions and committees.

Pursuant to a change in California government Code section 27131, the establishment of a county treasury oversight committee is no longer required by code and this policy has changed accordingly.

Section 1 of AB 2853 (Chapter 889, Statutes of 2004) revised California Government Code section 27131, which formerly mandated the establishment of a county treasury oversight committee, to allow the county board of supervisors the option to establish a county treasury oversight committee. The provisions of AB 2853 took effect on September 29, 2004.

This ordinance provides for the option of the county board of supervisors, at its determination, to establish a county treasury oversight committee; and prescribes the powers and duties of the county treasury committee and the members thereof, should the county board of supervisors establish such a committee.

RAYMOND G. FORTNER, JR.
County Counsel

By
CAMMY C. DUPONT
Principal Deputy County Counsel
Government Services Division

CCD:plp

8/20/08 (requested)
8/26/08 (revised)

ORDINANCE NO. 2008-0061

An ordinance amending Title 3 – Advisory Commissions and Committees of the Los Angeles County Code, relating to Chapter 3.59 Treasury Oversight Committee.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 3.59.010 is hereby amended to read as follows:

3.59.010 Establishment of treasury oversight committee.

~~There is hereby established~~The Board of Supervisors may, by resolution, make a determination whereby it establishes in the county of Los Angeles a county treasury oversight committee consisting of five members. If the Board of Supervisors establishes a treasury oversight committee, ~~T~~the members of the committee shall be:

A. A representative appointed by the board of supervisors;

B. The treasurer and tax collector;

C. The auditor-controller;

D. The superintendent of schools, or his or her designee; and

E. A member of the public.

If the Board of Supervisors establishes a treasury oversight committee, ~~M~~members of the committee shall be nominated by the treasurer and tax collector and confirmed by the board of supervisors. Any county officer who is a member of the committee may designate his or her chief deputy or any other deputy with managerial or supervisory responsibility in cash management, public finance or investment, to represent such officer at any meeting of the committee.

SECTION 2. Section 3.59.020 is hereby amended to read as follows:

3.59.020 Restrictions on committee members.

A. If the Board of Supervisors establishes a treasury oversight committee, ~~A~~a

member may not be employed by an entity that has contributed to a reelection campaign of a member of the board of supervisors in the previous three years.

B. If the Board of Supervisors establishes a treasury oversight committee, ~~A~~a member of the committee may not directly or indirectly raise money for the treasurer or a member of the board of supervisors while a member of the committee.

C. If the Board of Supervisors establishes a treasury oversight committee, ~~A~~a member may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms for three years after leaving the committee.

SECTION 3. Section 3.59.030 is hereby amended to read as follows:

3.59.030 Committee meetings.

If the Board of Supervisors establishes a treasury oversight committee, ~~C~~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 of the Government Code).

SECTION 4. Section 3.59.100 is hereby amended to read as follows:

3.59.100 Investment policy.

If the Board of Supervisors establishes a treasury oversight committee, ~~T~~the committee shall review and monitor the investment policy prepared annually by the treasurer pursuant to Government Code Section 27133. 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 any member of the board of supervisors, 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. Such limits may be in addition to any other limits set by the county, by state law, or by the Fair Political Practices Commission;

E. A requirement that the 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 the Government Code, 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. 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.

SECTION 5. Section 3.59.110 is hereby amended to read as follows:

3.59.110 Annual audit.

If the Board of Supervisors establishes a treasury oversight committee, ~~T~~the county treasury oversight committee shall cause an annual audit to be conducted to determine compliance with Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3 of the Government Code. The audit may include issues relating to the structure of the investment portfolio and risk.

SECTION 6. Section 3.59.120 is hereby amended to read as follows:

3.59.120 Limit on committee powers.

If the Board of Supervisors establishes a treasury oversight committee, ~~T~~the county treasury oversight committee shall have no power to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

SECTION 7. Section 3.59.200 is hereby amended to read as follows:

3.59.200 Cost recovery.

If the Board of Supervisors establishes a treasury oversight committee, ~~T~~the costs of complying with Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3 of the Government Code shall be county charges and may be included with those charges enumerated in Section 27013 of the Government Code.

[359TREASURYCDCC]

SECTION 8. This ordinance shall be published in The Metropolitan News a newspaper printed and published in the County of Los Angeles.

Yvonne B. Burke
Chair

ATTEST:

Sachi A. Hamai
Executive Officer -
Clerk of the Board of Supervisors
County of Los Angeles

I hereby certify that at its meeting of November 18, 2008 the foregoing ordinance was adopted by the Board of Supervisors of said County of Los Angeles by the following vote, to wit:

	Ayes		Noes
Supervisors	Zev Yaroslavsky	Supervisors	None
	Don Knabe		
	Michael D. Antonovich		
	Yvonne B. Burke		

Effective Date: December 18, 2008

~~Operative Date:~~

Sachi A. Hamai
Executive Officer -
Clerk of the Board of Supervisors
County of Los Angeles

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____ Deputy

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By Leela Kapur
Leela Kapur
Chief Deputy County Counsel

S:\Ordinances\County Counsel\2008\2008-0061