

June 10, 2025

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DIRECTOR

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Marin County Board of Supervisors
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Dear Board Members:

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SUBJECT: Request to approve the FY 2025-26 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 2025-26 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Investment Pool; and
- FY 2025-26 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Long-Term Investment Pool.

BACKGROUND:

The Marin County Investment Pool is managed by the Marin County Treasurer's Office, housed within the Department of Finance, on behalf of participating agencies. These participants include the County of Marin, school districts, trial courts, recreation and park districts, libraries, and other special districts.

The Pool follows a cash flow-matching investment strategy, structuring maturities to align with conservative projections of fund withdrawals. Investments are made in accordance with the provisions of California Government Code Sections 53600 through 53639. The primary investment objectives of the Pool are to preserve capital, maintain adequate liquidity to meet the needs of its participants, and earn a market rate of return that is consistent with the principles of safety and liquidity.

Pursuant to California Government Code Section 53646, the Director of Finance may annually present a Statement of Investment Policy to the Treasury Oversight Committee and the Board of Supervisors for review and approval.

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SUMMARY:

The proposed FY 2025-26 Statement of Investment Policies incorporate both substantive and non-substantive updates. These changes were reviewed and approved by the Marin County Treasury Oversight Committee (Committee) on May 15, 2025.

1. The FY 2025-26 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Investment Pool includes the following key updates:
 - **Performance Standards:** Added a new section to establish clear criteria for evaluating portfolio performance, including the use of market benchmarks and yield objectives over appropriate time horizons.
 - **Authorized Persons Training Requirement:** Expanded the “Authorized Persons” section to require that all staff involved in the investment process either receive annual training or verify completion of an annual review of Government Code Section 53646(b).
 - **Cybersecurity Emphasis:** Added explicit reference to cybersecurity training and risk management practices to reflect the increasing importance of protecting County investments from cyber threats.
 - **Glossary of Terms:** Introduced a glossary section to enhance understanding and promote consistency in the interpretation of key investment terminology.
 - **Format Enhancements:** Made minor formatting and terminology updates to improve clarity, readability, and alignment with best practice standards.

2. The FY 2025-26 Statement of Investment Policy for funds on deposit in the County Treasury on behalf of participants in the Marin County Long-Term Investment Pool includes the following key updates:
 - **Authorized Persons Training Requirement:** Expanded the “Authorized Persons” section to require that all staff involved in the investment process either receive annual training or verify completion of an annual review of Government Code Section 53646(b).
 - **Format Enhancements:** Made minor formatting and terminology updates to improve clarity, readability, and alignment with best practice standards.

Additionally, the Annual Statement of Investment Policy is reviewed and monitored monthly by Fitch Ratings, an independent rating agency. The Marin County Investment Pool continues with a rating of ‘AAAf’/‘S1’, which has been maintained since 1994.

Fitch's evaluation of the portfolio also considered the management and operational capabilities of the Marin County Treasurer's Office and the legal and regulatory framework under which the portfolio operates. The rating assignment received is reflective of the outstanding work of the Treasury Unit.

FISCAL / STAFFING IMPACT: None

EQUITY IMPACT SECTION: The County's Statement of Investment Policies promotes transparency and accountability in the stewardship of public funds on behalf of a diverse group of local agencies, including school districts, libraries, and special districts serving Marin's communities. Updates such as the addition of a glossary and performance standards support clearer understanding of investment practices by stakeholders and the public, reinforcing equitable access to financial information and ensuring that all communities benefit from responsible investment management.

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 Executive	<input checked="" type="checkbox"/> N/A

Respectfully submitted,



Mina Martinovich, CPA
Director of Finance

cc:

Sandra Kacharos, Assistant Director of Finance

Karen Shaw, Finance Division Chief

Victoria Seils, Accounting Unit Manager

Treasury Oversight Committee:

Derek Johnson, County Executive

Dan Eilerman, Alternate Representative, County Executive

John Carroll, Superintendent of Schools

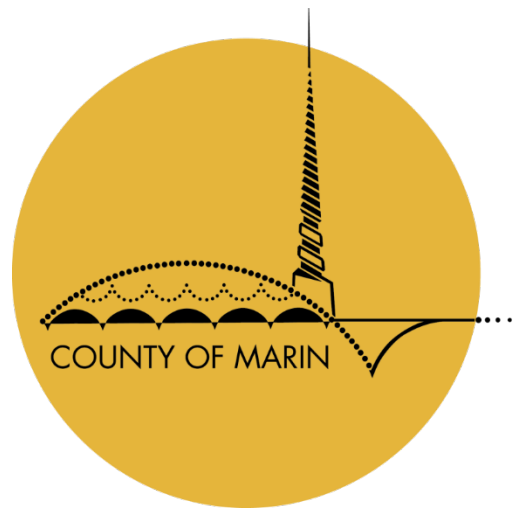
Alyssa Shiffman, Special District Representative

Jean Bonander, At-Large Public Member

Brett Geithman, School District & Community College Representative

**COUNTY OF MARIN
DEPARTMENT OF FINANCE
STATEMENT OF INVESTMENT POLICY**

FISCAL YEAR 2025-26



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Under the authority delegated to the Director of Finance (County Treasurer) by the Board of Supervisors to invest and reinvest all funds in the County Treasury and, in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

1. POLICY STATEMENT

The purpose of this Statement of Investment Policy (Policy) is to establish cash management and investment guidelines for the County Treasurer (Director of Finance), who is responsible for the stewardship of the Marin County Investment Fund (Pooled Investment Fund). Each transaction and the entire portfolio must comply with California Government Code Sections 53601, et. seq, Section 53635, et. seq., and this policy. All portfolio activities will be judged by the standards of the Policy and ranking of investment objectives.

2. STANDARDS OF CARE

The Director of Finance is the Trustee of the Pooled Investment Fund and, therefore, a fiduciary subject to the prudent investor standard as per Government Code Sections 27000.3 and 53600.3. These sections declare that each Treasurer or Governing body authorized to make investment decisions on behalf of local agencies, to be a fiduciary subject to the prudent investor standard.

The standard requires that “when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the County Treasurer or the Board of Supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters 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 county and other depositors. With the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.” This standard shall be applied in the context of managing the overall portfolio.

The Director of Finance, employees involved in the investment process and the members of the Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activity that could conflict with the management of the investment program.

3. INVESTMENT 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. The specific objectives for the Pooled Investment Fund are ranked in order of importance:

- (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.

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- (c) A **rate of return** consistent within the context and principles (a) and (b) of this Section, Safety and Liquidity, and within appropriate risk limitations, diversification, prudent investment principles and cash flow characteristics.

4. PERFORMANCE STANDARDS

The investment portfolio shall be managed to achieve a reasonable market rate of return throughout varying economic and budgetary cycles, consistent with the risk profile and cash flow requirements of the Pooled Investment Fund. Performance shall be evaluated in the context of the portfolio's overall objectives of safety, liquidity, and return.

A series of appropriate benchmarks such as the 6-month US Treasury Bill, or Fed Funds Rates Index, may be referenced for comparison purposes.

Benchmarks will be periodically reviewed and may be adjusted to reflect changes in the portfolio's duration, liquidity needs, or market conditions.

5. IMPLEMENTATION

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and presented it to the Treasury Oversight Committee. The County Board of Supervisors shall approve this Policy and any changes to it. The Director of Finance shall provide this policy to the legislative body of local agencies that participate in the pooled Investment Fund.

The Policy defines authorized instruments; maximum maturities; qualifications of broker-dealers and financial institutions doing business with, or on behalf of, the County; prohibition of gifts and honoraria; the reporting requirements; the Treasury Oversight Committee; the manner of appropriating costs; and the criteria to request withdrawal of funds.

6. PARTICIPANTS

Participants in the Pooled Investment Fund are defined as the County of Marin, 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.

7. 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. Additionally, all staff involved in the investment process should receive annual training or provide verification of having completed an annual review of Government Code Section 53646(b).

8. CYBERSECURITY RISK MANAGEMENT

County investment staff are entrusted with sensitive financial data and have access to confidential investment strategies and transactions. To protect against cybersecurity threats—including data breaches, unauthorized access, and financial fraud—all authorized investment personnel are required to complete annual County-approved web-based training in information security.

The County's Information Security Strategy includes:

- Annual interactive cybersecurity training
- Data protection and classification policies
- Role-based access controls
- Protocols for incident response and breach reporting

These security measures are critical to ensuring the integrity and confidentiality of the County's investment operations.

9. 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.

10. TERM

Maturities of investments in the Pooled Investment Fund 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 Pooled Investment

Fund, 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.

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.

11. AUTHORIZED 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** notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (b) **Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments**, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- (c) **Registered state warrants, or treasury notes, or bonds of the State of California**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state department, board, agency or authority of the state.
- (d) **Bonds, Notes, Warrants** or other evidence of indebtedness of a **local agency** within the State of California.
- (e) **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.
- (f) **Commercial paper** of "prime" quality of the highest letter and numerical rating as rated by a nationally recognized statistical rating organization (NRSRO), including but not limited to Moody's Investors Service, Inc., Standard and Poor's Corporation, or Fitch Ratings, to be chosen from among corporations organized and operating within the United States with assets in excess of \$500,000,000 and having an "A" or higher rating for the issuer's debt, other than commercial paper, as provided for by a NRSRO. 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.
- (g) **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.
- (h) **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 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.

- (i) **Medium-term Notes** rated “A” or better, to be chosen from among corporations with assets in excess of \$500,000,000 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.
- (j) **Mutual Funds and Money Market Mutual Funds** that invest in the securities and obligations, as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, of Section 53601 and that comply with the investment restrictions of Section 53630. Mutual funds that are defined as money market mutual funds must also follow regulations specified by the SEC under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). The purchase price of shares shall not include any commission that the fund manager may charge and shall not exceed 20% of the Treasury assets that may be invested pursuant to this Section 53601.

In addition, no more than 10% of the Treasury assets may be invested in shares of any single mutual fund. Both mutual and money market mutual funds require that they have attained the highest ranking, or the highest letter and numerical rating, provided by not less than two NRSROs. In addition, they have retained an investment advisor registered or exempt from registration with the SEC with not less than five years’ experience managing their specific category of fund and have assets under management in excess of \$500,000,000.

The 10% limitation does not apply to money market mutual funds.

- (k) **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.
- (l) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer’s office.
- (m) **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 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.

12. PROHIBITED INVESTMENTS

- (a) No investments shall be made that are **prohibited by law**.
- (b) 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.
- (c) 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.
- (d) **Reverse repurchase agreements**, securities lending agreements and all other investments that are not specifically allowed by this investment policy are prohibited.
- (e) 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.

13. 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 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.

14. WITHDRAWAL REQUESTS

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.

15. 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.

16. 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.

17. 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 shall be executed on a delivery versus payment basis. A Due Bill or other substitution will not be acceptable. Persons authorized under Section 7, 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.

18. 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.

19. 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.

20. AUDITS

Internal controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, or imprudent actions. 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.

20.1 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.

21. REVIEW, MONITORING AND REPORTING OF THE PORTFOLIO

The Director of Finance and designated staff will perform a monthly review of the investment function. 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 Treasury Oversight Committee, and any other participant upon request.

Annually, the Director of Finance shall provide to the Treasury Oversight Committee a Statement of Investment Policy. Additionally, the Director of Finance will render a copy of the Statement of Investment Policy to the Board of Supervisors and to the legislative body of the local agencies that participate in the Pooled Investment Fund.

22. TREASURY OVERSIGHT COMMITTEE

In accordance with Government Code Section 27131, the Board of Supervisors has established a Treasury Oversight Committee. The Treasury Oversight Committee includes representatives from the County of Marin, Superintendent of Schools' Office, School Districts and Special Districts. The Committee shall render unbiased and objective opinions on matters involving the Director of Finance's investment of public funds. Specifically, the law requires that the Treasury Oversight Committee meet to (1) review and monitor the Statement of Investment Policy and proposed changes prior to submission to the Board of Supervisors for adoption; (2) review the Pooled Income Fund's investment portfolio reports and compliance of the portfolio with law and this Investment Policy; and (3) cause an annual audit to be conducted of the Treasury in accordance with Government Code Section 27134.

All meetings of the Treasury Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act.

By law, the Treasury Oversight Committee is not allowed to direct individual investment decisions, nor select individual investment advisors, brokers or dealers, nor impinge on the day-to-day operations of the County Treasury.

23. DISASTER RECOVERY / 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 (e.g., earthquake, fire, pandemic, or other event) that disrupts 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.

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.

24. GLOSSARY OF TERMS

Agencies

Debt obligations issued or guaranteed by U.S. Federal Agencies and Government-Sponsored Enterprises (GSEs), including but not limited to: Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and Federal Agricultural Mortgage Corporation (Farmer Mac).

Bankers' Acceptance (BA)

A short-term credit instrument created by a non-financial firm and guaranteed by a bank. It represents a promise that the bank will pay the holder a specified amount at a future date, typically used in international trade.

Benchmark

A market index or reference portfolio that reflects the risk and return characteristics of the investments held in a portfolio. It is used to evaluate investment performance and ensure alignment with the entity's risk tolerance and investment horizon.

Broker

An intermediary who facilitates transactions between buyers and sellers of securities for a commission, without taking ownership of the securities.

Certificate of Deposit (CD)

A time deposit offered by banks with a fixed maturity date and interest rate, evidenced by a certificate. Large-denomination CDs may be negotiable and traded in the secondary market.

Collateral

Securities or other assets pledged by a borrower to secure repayment of a loan or by a bank to secure public deposits.

Coupon

The stated annual interest rate on a bond, expressed as a percentage of its face (par) value. The coupon determines the periodic interest payments made to the bondholder, typically on a semiannual basis. Historically, the term referred to physical certificates attached to bearer bonds, which investors would detach and redeem for interest payments—though this practice is now obsolete with the use of book-entry systems.

Dealer

A financial firm or individual that buys and sells securities for its own account, assuming the risk of holding the securities in inventory.

Delivery Versus Payment (DVP)

A securities delivery method that ensures payment is made simultaneously with the delivery of the security. It mitigates the risk of one party fulfilling its obligation while the other does not.

Diversification

A risk management strategy that mixes a wide variety of investments within a portfolio to reduce exposure to any single asset or risk.

Duration

A measure of a bond's sensitivity to changes in interest rates, expressed in years. It indicates how much a bond's price will change with a change in interest rates.

Federal Deposit Insurance Corporation (FDIC)

An independent U.S. government agency that protects bank depositors by insuring deposits up to \$250,000 per depositor, per insured bank.

Liquidity

The ease with which an asset can be converted into cash without significant loss of value. Highly liquid assets can be bought or sold with minimal price fluctuation.

Local Government Investment Pool (LGIP)

An investment vehicle created by state law that allows local government agencies to pool funds for investment, typically administered by the State Treasurer.

Market Value

The current price at which a security is bought or sold in the open market.

Master Repurchase Agreement

A comprehensive written agreement governing repurchase and reverse repurchase transactions, defining the rights and obligations of each party and providing for the liquidation of underlying securities in the event of default.

Maturity

The date on which the principal amount of a financial instrument becomes due and is repaid to the investor.

Medium-Term Notes (MTNs)

Debt securities issued by corporations or depository institutions with fixed maturities of five years or less. Issuers must be organized and operating within the U.S., or licensed under U.S. or state laws.

Money Market Mutual Funds (MMFs)

MMFs are mutual funds that invest exclusively in short-term money market instruments. MMFs seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short-term investments.

Mutual Funds

An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Portfolio

A collection of financial assets held by an investor, including stocks, bonds, and other investments.

Primary Dealer

A financial institution authorized to trade government securities directly with the Federal Reserve Bank of New York. These institutions are subject to regulatory oversight and reporting requirements.

Prudent Investor Standard

A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Rate of Return

The gain or loss on an investment over a specified period, expressed as a percentage of the investment's cost or current market value.

Repurchase Agreement (Repo)

A short-term agreement to sell securities and repurchase them at a specified date and price. Effectively, it is a collateralized loan where securities serve as collateral.

Reverse Repurchase Agreement (Reverse Repo)

The counterpart of a repurchase agreement, where the investor sells securities to a counterparty with an agreement to buy them back at a later date. In this case, the investor is borrowing funds.

Safekeeping

A custodial service provided by financial institutions that involves the secure storage and protection of securities or other valuables for clients.

Secondary Market

A market where existing securities are bought and sold after their initial issuance.

Securities and Exchange Commission

A U.S. federal agency responsible for enforcing federal securities laws and regulating the securities industry to protect investors and maintain fair, orderly, and efficient markets.

SEC Rule 15c3-1 (Uniform Net Capital Rule)

A regulation that establishes minimum capital requirements for broker-dealers to ensure financial stability and protect customers.

Treasury Bills (T-Bills)

Short-term debt obligations issued by the U.S. Treasury at a discount to face value, with maturities of one year or less. They do not pay periodic interest.

Treasury Bonds

Long-term debt securities issued by the U.S. Treasury with maturities greater than 10 years, paying fixed interest semiannually.

Treasury Notes

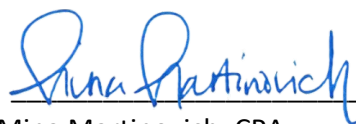
Medium-term U.S. Treasury debt securities with maturities ranging from two to ten years and semiannual interest payments.

Yield

The income return on an investment, expressed as an annual percentage.

- (a) **Current Yield** is calculated by dividing annual interest by the current market price.
- (b) **Yield to Maturity (YTM)** is the total return anticipated if the bond is held to maturity, accounting for purchase price, face value, coupon payments, and time to maturity.

Dated: May 15, 2025



Mina Martinovich, CPA
Director of Finance

Reviewed and approved by Marin Treasury Oversight Committee on May 15, 2025.

Approved by Marin County Board of Supervisors on June 10, 2025.

Attachments:

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

Exhibit 2 – Disaster Recovery / 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 or 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:

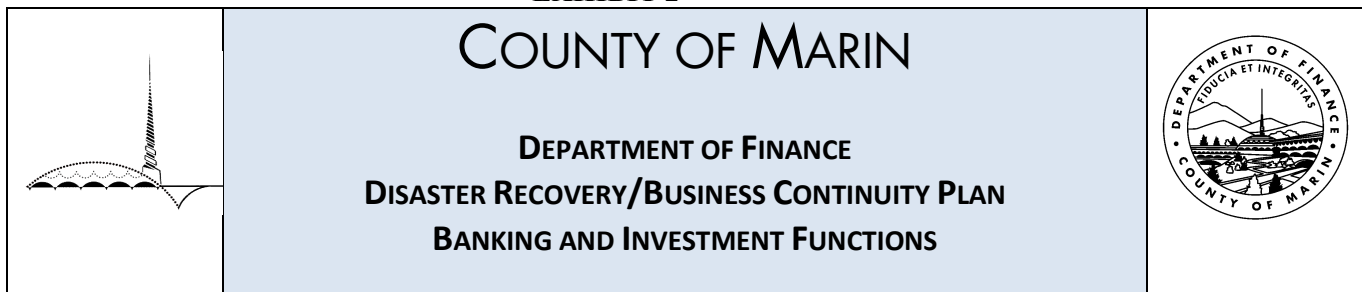
- (a) Any activity not specifically described in this chapter;
- (b) Research in and application of nuclear medicine or other pure research unrelated to nuclear weapons;
- (c) Beneficial or peaceful uses of the technology such as smoke detectors, light-emitting watches and clocks, and other consumer 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)



1. Scope

The County of Marin's banking and investment functions are mission critical. Accordingly, the Treasurer's Office (Department of Finance) maintains a Disaster Recovery / Business Continuity Plan to ensure continuity of operations. This plan shall be activated in the event the office's primary location becomes inaccessible and shall be tested periodically to ensure its effectiveness.

The primary objective of the plan is to protect and account for all funds held in the County Treasury and to maintain uninterrupted banking and investment operations for all participants in the Marin County Pooled Investment Fund in the event of a significant disruption (e.g., earthquake, fire, pandemic, or other emergency).

2. Chain of Command

The chain of command during an emergency shall follow the order of **Authorized Persons** as identified in **Section 7** of the Statement of Investment Policy and the current **Authorized Investor List**.

3. Continuity Procedure

If normal business operations cannot be conducted, Authorized Persons will coordinate by phone, email, or other means to determine an appropriate alternate work location. If direct communication is not possible, they shall coordinate through the **County's Office of Emergency Services** to reestablish contact and implement continuity measures.

4. Essential Functions & Tasks

The Treasurer's Office will prioritize the protection and accurate accounting of all funds on deposit with the County. While standard operating procedures may be modified under emergency conditions, all activities must remain in full compliance with the **Statement of Investment Policy**.

Key tasks to be performed include:

- Daily cash workup.
- Investment of maturing securities and any available deposits, while accounting for anticipated clearings of checks and wires.
- Daily cash and bank reconciliation.
- Communication with Pooled Investment Fund Participants regarding any temporary changes to deposit procedures.
- Coordination of disbursement activity with the County Director of Finance.

Deposits to any account not established by the Treasurer's Office are strictly prohibited.



5. Equipment and Emergency Access

Staff listed on the **Authorized Investor List** are designated with access to the necessary equipment and systems to perform critical investment and treasury functions remotely if needed.

A secured copy of this plan will also be retained by the County's Office of Emergency Services for emergency reference purposes.

Emergency access requirements include:

- A universal power source attached to the Bloomberg computer onsite to provide uninterruptible power (10-15 minutes) for the completion of investment transactions and an orderly shutdown during a power outage
-
- A laptop with Wi-Fi capability and access to Bloomberg Anywhere.
- Preinstalled software with secure remote access.
- Online access to:
 - Statement of Investment Policy and Disaster Recovery / Business Continuity Plan
 - Most recent monthly investment reports
 - County financial accounting system
 - Online banking and securities safekeeping systems
 - Contact details for Authorized Persons and treasury staff (including personal contact information)
 - Contact details for the County Executive, Director of Finance, County Counsel, and the Office of Emergency Services.
 - Authorized broker/dealers, banks, and custodians
 - Contact information for all agencies participating in the Pooled Investment Fund

Additionally, emergency check stock¹ (50 checks) will be stored securely at the **Office of Emergency Services**.

¹ *Emergency checks are issued from a dedicated account linked to the County's main banking account. These checks are to be used solely in the event this Disaster Recovery / Business Continuity Plan is activated and the County is unable to issue payments through normal operations. Authorized signers for these checks include the Director of Finance, the Assistant Director of Finance, and the Finance Division Chief, as documented on the Deposit Account Documentation Signature Card. If physical check stock is inaccessible, electronic payments may be initiated through the County's banking services platform.*

6. Plan Testing and Evaluation

To ensure the plan remains actionable and effective, the Treasurer's Office shall implement a structured testing and evaluation protocol. This includes quarterly remote access verifications,



semi-annual communication drills, and annual audits of emergency equipment and documentation. A tabletop exercise simulating an emergency scenario shall also be conducted at least once every two years. Results shall be reviewed to identify areas for improvement and inform updates to this plan.

7. Disaster Assignment

All Authorized Persons and designated support staff within the Treasurer's Office are considered Disaster Service Workers, as defined in California Code of Regulations, Title 19, Section 2570.2(a) and County Personnel Management Regulation 20.9. Each staff member shall carry their official County of Marin Identification Card.

The level of disruption and the designated work location shall be determined by the **Director of Finance** or individuals listed on the Authorized Investor List. Any costs incurred under this plan shall be absorbed by the Treasurer's Office and may be reimbursed pursuant to **Government Code section 27013**.

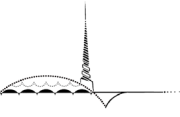

Safety is paramount. No alternative location or procedure should be implemented if doing so would place any individual in danger.

If the Treasurer's Office is unable to operate from its primary location, all banking and investment operations shall be relocated to an alternate site as determined by the **Director of Finance**, the **County Office of Emergency Services**, or the **County Executive**.

8. Conclusion

This Disaster Recovery / Business Continuity Plan is a critical component of the County's fiduciary responsibility and readiness framework. Its purpose is to ensure that the County's banking and investment operations remain uninterrupted, transparent, and secure during emergencies. Ongoing review and testing of the plan will support continuous improvement and ensure alignment with best practices in financial continuity and public service.

Origination: Nov 7, 2007
Revised: May 15, 2025

	<h1>COUNTY OF MARIN</h1> <h2>TREASURER'S OFFICE</h2> <h3>AUTHORIZED INVESTOR LIST</h3> <h4>FY 2025-26</h4>	
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Effective: May 15, 2025

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 a maturity of up to five years:

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

Authorized to make investment decisions for 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 Recovery / Business Continuity Plan*

Approved:



5/15/25

Mina Martinovich
Director of Finance

Date