

COUNTY OF MARIN
TREASURY OVERSIGHT COMMITTEE
Regular Meeting
May 14, 2026; 2:00PM
Marin County Civic Center
3501 Civic Center Drive, Room 324 - A San Rafael, CA

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Approve Minutes - Meeting of November 13, 2025 (ACTION)**
- 4. Open Time for Public Comment**
- 5. Committee Business**
 - a) Elect Chair and Vice Chair of the Treasury Oversight Committee for Calendar Year 2026 (ACTION)
 - b) Review Government Code (GC) Sections 27130-27137
 - c) Updates on Staff Objectives
 - RFP for Banking Services
 - Cash Handling Policy Updates
 - Remote Deposit expansion
 - d) Other Committee Member Matters
- 6. Director of Finance Report**
 - a) Call for Annual Investment Audit for FY 2025-26 (ACTION)
 - b) Review and approve Statement of Investment Policy for FY 2026-27 (Action)
 - c) Review and approve Long-Term Investment Pool Statement of Investment Policy for FY 2026-27 (Action)
 - d) Review and monitoring of Marin County Monthly Investment Reports
- 7. Discussion Items for Next Meeting:**
 - a) Review of Fitch Rating of Marin County Investment Pool as of 6/30/2026.
 - b) Review and approve FY 2025-26 Annual Investment Audit Report
- 8. Schedule Fall 2026 Meeting**
- 9. Adjournment**

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COUNTY OF MARIN
TREASURY OVERSIGHT COMMITTEE
Regular Meeting

November 13, 2025; 2:00PM
Marin County Civic Center
3501 Civic Center Drive, Room 324-A San Rafael, CA

Minutes

1. Call to Order

The meeting was called to order at 2:07 p.m.
Agenda was updated to reflect the correct meeting location.

2. Roll Call

Present: Derek Johnson (County Executive), John Carroll (Superintendent of Schools; arrived at 2:08 p.m.), Tracy Smith (School District and Community College Representative), Alyssa Schiffman (Special District Representative, Chair)

Absent: Jean Bonander (At-Large Member of the Public)

Others in Attendance: Mina Martinovich (Director of Finance), Karen Shaw (Department of Finance Division Chief), Victoria Seils (Department of Finance Accounting Unit Manager), Jen Mendoza (Department of Finance Staff)

3. Approve Minutes - Meeting of May 15, 2025 (ACTION)

Motion by Derek Johnson to approve the meeting minutes of May 15, 2025

Second by Alyssa Schiffman

Ayes: Derek Johnson, Alyssa Schiffman, Tracy Smith

Nays: None

Abstain: None

Absent: John Carroll, Jean Bonander

4. Open Time for Public Comment

No public comment.

5. Committee Business

a) Review Government Code (GC) Sections 27130-27137

Director Mina Martinovich provided an overview of the Government Code sections governing the Treasury Oversight Committee, outlining its purpose and historical context. The Committee was established under Board Resolution 96-91 in response to State Legislation enacted in 1996 (GC §27130 et seq.) requiring local oversight of pooled investment deposits.

Although statutory mandates were repealed in 2005 (GC §27131(a)), counties retained the authorization to continue such committees voluntarily. Marin County elected to do so, maintain its focus on reviewing and monitoring the County's investment policy and calling for an annual investment audit.

b) Welcome new Committee member, Dr. Tracy Smith, Superintendent of the Novato Unified School District, representing School Districts Superintendent Representative

Director Martinovich welcomed newly appointed Dr. Tracy Smith, the Superintendent of Novato, who succeeds Dr. Brett Geithman in this role. Documentation regarding Dr. Smith's appointment was included in the meeting packet for review. The Board of Supervisors took formal action to approve her appointment on November 4, 2025.

c) Staff Objectives for 2026:

○ CMTA Investment Policy Certification

Victoria Seils, Treasury Accounting Unit Manager, reported that the County's Statement of Investment Policy – approved by the Treasury Oversight Committee in May 2025 and adopted by the Board of Supervisors in June 2025 – has been formally submitted to the California Municipal Treasurers Association (CMTA) for review under the CMTA Investment Policy Certification Program.

She noted that participation in this program is a positive step for the County, as CMTA certification provides independent validation that the policy aligns with California Government Code requirements, incorporates industry best practices, and reflects strong public stewardship. If CMTA recommends revisions, the County will have an opportunity to make the suggested updates and resubmit the policy within the program's designated time window.

Ms. Seils added that any recommended changes are expected to be incorporated into the Statement of Investment Policy for FY 2026-27, which will be presented to the Committee in May 2026. If approved and adopted, the County anticipates achieving full CMTA certification at that time.

○ RFP for Banking Services

Ms. Seils provided an update on the Request for Proposal (RFP) for Professional Banking Services, previously discussed during the Committee's May 2025 meeting. Since then, staff have advanced from the discovery phase—researching best practices and reviewing sample RFPs from other counties—to prepare an initial draft. Stakeholder input was gathered through a questionnaire, and although response levels were modest, the feedback provided valuable insight into the County's banking service needs.

The RFP will next be presented to the Board of Supervisors in December for review, with the goal of issuing the solicitation by January 2026. The proposal period is expected to remain open for approximately two months, followed by evaluation, selection, and award. The RFP will be advertised through the County's procurement platform, professional associations such as CACTTC and CMTA, and outreach to current and local banking partners to ensure broad participation.

○ Cash Handling Policy Updates

Ms. Seils advised that the cash handling policy updates are nearing completion. Director Martinovich added that the updates being developed are in collaboration with the County's Internal Audit unit, and reflects significant revisions to the March 2017 policy to align with the organization's

new operational landscape and regulatory environment. The changes are influenced by recent developments and will emphasize compliance with U.S. Department of Treasury guidelines. Due to the minting of the last penny, one key element under consideration is adopting the Swedish rounding system for cash payments—rounding to the nearest nickel—while maintaining exact amounts for electronic transactions. The team also plans to coordinate closely with participating pools to ensure a smooth transition. It was noted that implementing these updates will be a gradual, multi-year process.

- Remote Deposit Expansion

Ms. Seils reported ongoing efforts to expand participation in the County's remote deposit program. Over the years, the program has steadily grown, and recent stakeholder engagement—particularly through the professional banking services RFP process—has helped identify additional entities that may benefit from enrollment. She emphasized the importance of extending this program to all eligible participants as a means of promoting operational efficiency, cost savings, and risk management by reducing the need for physical bank visits. In addition, the Treasury team is exploring new technologies, including the potential use of smart safe systems, to further streamline cash handling and improve service delivery.

- d) Other Committee Member Matters

County Executive, Derek Johnson, continued the staff objectives conversation. He commended the Treasury team for its progress on the Request for Proposal (RFP) for professional banking services and related efforts to modernize the County's financial operations. These initiatives aim to improve efficiency, reduce operational friction, and enhance integration with the County's ERP systems. The RFP evaluation and award are anticipated in the spring, with implementation to begin in the summer under a phased, well-coordinated approach.

6. **Director of Finance Report**

- a) Review and Monitoring of Marin County Monthly Investment Reports

Mina Martinovich, Director of Finance, emphasized that one of the Oversight Committee's key responsibilities is to provide regular updates on the status and balance of the County's investments, including the composition and performance of those investments. County of Marin prepares these investment reports monthly. These reports, which are also presented to the County Board of Supervisors and made available on the County's public website, ensure transparency and accountability. Ms. Martinovich also confirmed that all Committee members are authorized to access and review the monthly investment reports.

- b) Review of Fitch Rating of Marin County Investment Pool as of 6/30/2025

Karen Shaw, Treasury Division Chief, presented a report on the Fitch Rating of the Marin County Investment Pool. The rating is based on the County's investment resiliency, market volatility, and ongoing monitoring practices. Fitch also reviews portfolio sensitivity to market fluctuations. It was noted that a monthly surveillance document is shared with Fitch, providing detailed reporting on the County's full investment portfolio, including metrics and reconciliation data. The County maintains regular communication with Fitch to ensure alignment on credit ratings and risk

assessments. Ms. Shaw also discussed benchmarking performance against other counties and state treasuries to evaluate investment outcomes and ensure best practices. These reviews help identify strengths and areas for improvement in portfolio management. The next comprehensive review with Fitch is expected soon, as it has been approximately two years since the last full evaluation.

c) Review and Approve FY 2024-25 Treasury Oversight Compliance Examination (Action Item)

The Department of Finance is providing the Treasury Oversight Compliance Examination Report, which was audited by CliftonLarsonAllen LLP (CLA). This engagement represents an agreed-upon procedures report focused on testing compliance and oversight responsibilities of the Treasury Oversight Committee. The examination was conducted in September 2025 and complements the County's Annual Comprehensive Financial Report (ACFR), which is a more comprehensive review evaluating cash and investments in accordance with Governmental Accounting Standards Board (GASB) requirements. The ACFR provides detailed disclosures on weighted average maturity of investments, investment concentrations and associated risks, and fair value reporting. While the ACFR offers an in-depth analysis of investment activities, the Compliance Examination engagement serves as a supplementary compliance review to ensure continued adherence to oversight and reporting standards. No findings were noted as a result of the Treasury Oversight Compliance Examination, and the Department looks forward to continuing this engagement in the next fiscal cycle for FY 2026.

Motion by Derek Johnson to approve the Fiscal Year 2024-25 Treasury Oversight Compliance Examination

Second by John Carroll

Ayes: Derek Johnson, John Carroll, Alyssa Schiffman, Tracy Smith

Nays: None

Abstain: None

Absent: Jean Bonander

7. Discussion Items for Next Meeting:

- a) Call for Treasury Oversight Compliance Examination for FY 2025-26
- b) Review and approve Statement of Investment Policy for FY 2026-27
- c) Review and approve Long-Term Investment Pool Statement of Investment Policy for FY 2026-27

8. Schedule for Spring 2026 Meeting

The Spring 2026 Treasury Oversight Committee will take place on Thursday, May 14, 2026.

9. Adjournment

The meeting was adjourned at 2:35 p.m.

GOVERNMENT CODE - GOV

TITLE 3. GOVERNMENT OF COUNTIES [23000 - 33205]

(Title 3 added by Stats. 1947, Ch. 424.)

DIVISION 2. OFFICERS [24000 - 28085]

(Division 2 added by Stats. 1947, Ch. 424.)

PART 3. OTHER OFFICERS [26500 - 27773]

(Part 3 added by Stats. 1947, Ch. 424.)

CHAPTER 5. County Treasurer [27000 - 27137]

(Chapter 5 added by Stats. 1947, Ch. 424.)

ARTICLE 6. County Treasury Oversight Committees [27130 - 27137]

(Article 6 added by Stats. 1995, Ch. 784, Sec. 10.)

27130.

The Legislature finds and declares that local agencies, including school districts, should participate in reviewing the policies that guide the investment of those funds. The Legislature further finds and declares that by pooling deposits from local agencies and other participants, county treasuries operate in the public interest when they consolidate banking and investment activities, reduce duplication, achieve economies of scale, and carry out coherent and consolidated investment strategies. The Legislature further finds and declares that the creation of county treasury oversight committees will promote the public interest by involving depositors in the management of their funds and by enhancing the security and investment return on their funds by providing a more stable and predictable balance for investment by establishing criteria for the withdrawal of funds.
(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27131.

(a) The board of supervisors in each county or city and county may, if the county or city and county is investing surplus funds, establish a county treasury oversight committee. The board of supervisors, in consultation with the county treasurer, shall determine the exact size of the committee, which shall consist of from 3 to 11 members, and the categories from which the members shall be represented, as specified in subdivisions (a) to (g), inclusive, of Section 27132. Members shall be nominated by the treasurer and confirmed by the board of supervisors.
(b) In recognition of the state and local interests served by the action made optional in subdivision (a), the Legislature encourages local agencies to continue taking the action formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.
(Amended by Stats. 2004, Ch. 889, Sec. 1. Effective September 29, 2004.)

27132.

The county treasury oversight committee, pursuant to Section 27131, shall consist of members appointed from the following:

- (a) The county treasurer.
- (b) The county auditor, auditor-controller, or finance director, as the case may be.
- (c) A representative appointed by the county board of supervisors.
- (d) The county superintendent of schools or his or her designee.
- (e) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county.
- (f) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the county treasury.

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(g) Up to five other members of the public.

(1) A majority of the other public members shall have expertise in, or an academic background in, public finance.

(2) The other public members shall be economically diverse and bipartisan in political registration.

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27132.1.

A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the committee.

(Amended by Stats. 1996, Ch. 156, Sec. 3. Effective July 12, 1996.)

27132.2.

A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the committee.

(Amended by Stats. 1996, Ch. 156, Sec. 4. Effective July 12, 1996.)

27132.3.

A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

(Amended by Stats. 1999, Ch. 32, Sec. 1. Effective January 1, 2000.)

27132.4.

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).

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27133.

In any county that establishes a county treasury oversight committee pursuant to this article, the county treasurer shall annually prepare an investment policy that will be reviewed and monitored by the county treasury oversight committee. 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 the local treasurer, any member of the governing board of the local agency, 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 by any member of the county treasury oversight committee. These limits

AGENDA ITEM 5a

may be in addition to the limits set by a committee member's own agency, by state law, or by the Fair Political Practices Commission.

(e) A requirement that the county 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 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, pursuant to Section 27136. 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.

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27134.

The county treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with this article. The audit may include issues relating to the structure of the investment portfolio and risk.

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27135.

The costs of complying with this article shall be county charges and may be included with those charges enumerated under Section 27013.

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

27136.

(a) Notwithstanding any other provision of law, any local agency, public agency, public entity, or public official that has funds on deposit in the county treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the county treasurer before withdrawing funds from the county treasury pool.

(b) The county treasurer shall evaluate each proposed withdrawal for its consistency with the criteria adopted pursuant to subdivision (h) of Section 27133. Prior to approving a withdrawal, the county treasurer shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the county treasury pool.

(Amended by Stats. 1996, Ch. 156, Sec. 6. Effective July 12, 1996.)

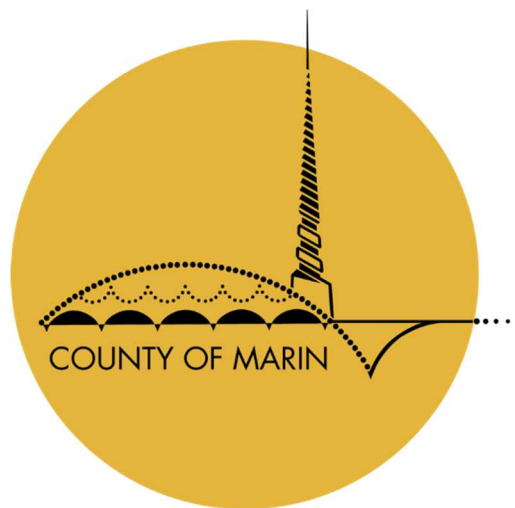
27137.

Nothing in this article shall be construed to allow the county treasury oversight committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

(Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)

COUNTY OF MARIN
DEPARTMENT OF FINANCE
STATEMENT OF INVESTMENT POLICY

FISCAL YEAR 2026-267



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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. POLICY ADOPTION

The Statement of Investment Policy shall be presented reviewed annually to by the Board of Supervisors for review and consideration, consistent with applicable provisions of the California Government Code Section 53646 Section 53646(a)(1). The Board of Supervisors shall consider and approve the Policy, and any material changes, at a public meeting.

The Policy shall be reviewed at least annually and updated as necessary to reflect changes in law, market conditions, or the County's investment objectives.

3. SCOPE

This Investment Policy governs the investment of all funds held in the County Treasury, including the Marin County Pooled Investment Fund and all participating agencies as described in Section 8 (Participants).

The Policy applies to all investment activities and related functions, except where superseded by applicable laws, bond documents, or other legal agreements.

Certain funds may be governed by separate policies, including the County's Long-Term Investment Pool Statement of Investment Policy, where applicable.

2.4. 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.

3.5. 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. [Investment decisions shall be made with consideration of the County’s projected cash flow needs to ensure sufficient liquidity to meet expenditure requirements, including the County’s ongoing assessment of its ability to meet obligations for the next six months, consistent with Government Code Section 53646 \(b\)\(3\).](#)
- ~~(a)(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.

4.6. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout economic and budgetary cycles, commensurate with the investment risk constraints and cash flow requirements of the Pooled Investment Fund.

A series of appropriate benchmarks such as the 6-month US Treasury Bill, or [Federal Funds Rate Index](#)~~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.

[The County may utilize measures such as weighted average maturity \(WAM\) or similar indicators to monitor interest rate risk and ensure the portfolio remains consistent with its objectives of safety, liquidity, and return.](#)

5.7. 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.

6.8. 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.

~~(a)~~(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.

7.9. 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).

8.10. 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.

9.11. 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.

10.12. 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. ~~agency obligations~~ and ~~state 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.

11.13. 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~~ 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~~ three hundred ninety-seven (397) 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, in a rating category of "A" or its equivalent or better by a nationally recognized statistical rating organization (NRSRO), are~~ 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.

No more than ten percent (10%) of the portfolio may be invested in the securities of any single issuer for commercial paper and medium-term notes combined, as a matter of County policy.

- (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 shall be governed by a signed Master Repurchase Agreement. 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 heris 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~~obligations of high credit quality with a "AAA" credit quality rating. Such securities 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.

Certain authorized investment types may include securities with additional structural or market risks, such as call features and prepayment characteristics. The Director of Finance shall evaluate these risks prior to purchase and ensure that such investments are consistent with the County's objectives of safety, liquidity, and yield.

For purposes of compliance with this Policy, the term or remaining maturity of an investment shall be measured from the settlement date to final maturity.

14. DIVERSIFICATION

The investment portfolio shall be diversified to reduce the risk of loss resulting from overconcentration in a specific issuer, security type, or maturity structure.

Diversification shall be achieved by:

- Limiting exposure to individual issuers in accordance with Government Code and this Policy
- Allocating investments among a variety of authorized investment types
- Structuring maturities to support liquidity needs and reduce interest rate risk

Portfolio concentration limits shall be calculated based on the book value of all funds available for investment in the County Treasury at the time of purchase. All investment exposures shall be included in these calculations, regardless of the source of funds.

The Director of Finance shall continuously monitor the portfolio to ensure that no undue concentration of risk exists and that the portfolio remains consistent with the County's objectives of safety, liquidity, and yield.

15. INVESTMENT POOLS AND MUTUAL FUNDS

The County may invest in external investment pools and mutual funds as authorized by Government Code and this Policy, including but not limited to, the Local Agency Investment Fund (LAIF), money market mutual funds, and other authorized pooled investment vehicles.

Prior to investing in any investment pool or mutual fund, the Director of Finance shall perform due diligence to evaluate the suitability of the investment. Such evaluation may include, but is not limited to:

- Legal authority and structure of the pool or fund
- Qualifications and experience of the investment advisor or manager
- Investment objectives, permitted investments, and risk profile
- Credit quality, diversification, and liquidity provisions
- Historical performance and volatility
- Fee structure and associated costs

The Director of Finance shall conduct ongoing monitoring of investment pools and mutual funds to ensure continued compliance with applicable laws and this Policy. Such monitoring may include periodic review of holdings, performance, compliance reports, and other relevant disclosures.

Investments in pooled funds and mutual funds shall be subject to all applicable limitations set forth in Government Code and this Policy.

16. COLLATERALIZATION

All deposits and repurchase agreements shall be collateralized in accordance with Government Code Sections 53630–53660 and 53601(j).

Collateral for deposits and investments shall be maintained at levels required by law and this Policy, including, but not limited to:

- At least 102 percent of market value for repurchase agreements
- At least 110 percent, or greater, of market value for certificates of deposit, depending on collateral type
- Higher collateral levels, where applicable, for certain asset classes as required by law

Collateral shall be held by an independent third-party custodian in the name of the County, or otherwise perfected in accordance with applicable law.

The Director of Finance shall ensure that collateral is maintained at required levels and is monitored on an ongoing basis.

12.17. 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, except as permitted under Government Code Section 53601.6 for securities issued by or backed by the United States government.

(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.

(f) The County Director of Finance shall not invest in investment types that are not expressly authorized by California Government Code or this Policy, including, but not limited to, exchange-traded funds (ETFs), equities (common or preferred stock), real estate investment trusts (REITs), and annuities.

13.18. 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.

Broker/dealers shall be properly licensed and registered with the Financial Industry Regulatory Authority (FINRA) and, where applicable, the State of California. The Director of Finance shall maintain an approved list of broker/dealers and financial institutions authorized to conduct investment transactions with the County. Such entities shall be evaluated based on financial condition, experience, regulatory standing, and other factors deemed appropriate.

The Director of Finance or designee may periodically review and update the approved broker/dealer list.

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.

[In accordance with applicable federal regulations, including the Municipal Advisor Rule, broker-dealers may be limited in the investment advice they can provide to public agencies. When appropriate, the County may seek advice from independent registered investment advisors or through formal solicitation processes.](#)

14.19. 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.

15.20. 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.

16.21. 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.

17.22. 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.

18.23. 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.

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19.24. 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.

20.25. 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.

21.26. 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.

22.27. 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.

23.28. 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.

24.29. 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.

[Exchange-Traded Fund \(ETF\)](#)

[A pooled investment vehicle traded on an exchange, similar to a mutual fund, that is not an authorized investment for local agencies under California Government Code.](#)

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.

[Real Estate Investment Trust \(REIT\)](#)

[A company that owns or finances income-producing real estate and trades on public markets; not an authorized investment under this Policy.](#)

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~~¹⁴, 2026

Mina Martinovich, CPA
Director of Finance

Reviewed by Marin Treasury Oversight Committee on May ~~14~~¹⁵, 202~~6~~⁵.

Approved by Marin County Board of Supervisors on June ~~10~~²³, 202~~6~~⁵.

Attachments:

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

Exhibit 2 – Disaster Recovery / Business Continuity Plan

Exhibit 3 – Authorized Investor List

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APPENDIX A – SUMMARY OF AUTHORIZED INVESTMENTS

Investment Type	<u>Gov Code</u> State Limit	County Limit	Max Maturity	Notes	Gov Code
U.S. Treasury Obligations	None	None	5 years	Full faith and credit of U.S.	§53601(b)
Federal Agency / GSE Securities	None	None	5 years	Includes FNMA, FHLB, FHLMC, FFCB	§53601(f)
State of California Obligations	None	None	5 years		§53601(c)
Local Agency Obligations	None	None	5 years	California issuers only (per Gov Code)	§53601(d)
Bankers' Acceptances	30%	30%	180 days		§53601(g)
Commercial Paper	40%	40%	397 days	Max 10% per issuer (combined with MTNs; County policy)	§53601(h)
Medium-Term Notes (MTNs)	30%	30%	2 years	"A" category or equivalent (NRSRO); issuer limits apply 2-year maturity (County policy)	§53601(k)
Negotiable Certificates of Deposit	30%	30%	5 years	Up to 5 years per Gov Code	§53601 (i) (i)
Non-Negotiable Certificates of Deposit (Time Deposits)	None	None	5 years	110%–150% collateral required (per Gov Code)	§536 3004 et seq. 8
Repurchase Agreements	None	None	1 year	≥102% collateral (Gov Code) ; Master Repurchase Agreement required (County policy)	§53601(j)
Money Market Mutual Funds	20%	20%	N/A	Highest rating (2 NRSROs) (County policy)	§53601(l) & 6(b)
Local Agency Investment Fund (LAIF)	State limit	State limit	N/A	Participation limits established by the State Treasurer under LAIF program Managed by State Treasurer Office	§16429.1

Investment Type	<u>Gov Code</u> State Limit	County Limit	Max Maturity	Notes	Gov Code
Financial Institution Investment Accounts	N/A	5%	3 years (1.5 yr avg)	U.S. Treasury and Agency securities only	<u>County</u> Local Policy

Gov codeState limits are based on California Government Code §53601 et seq.

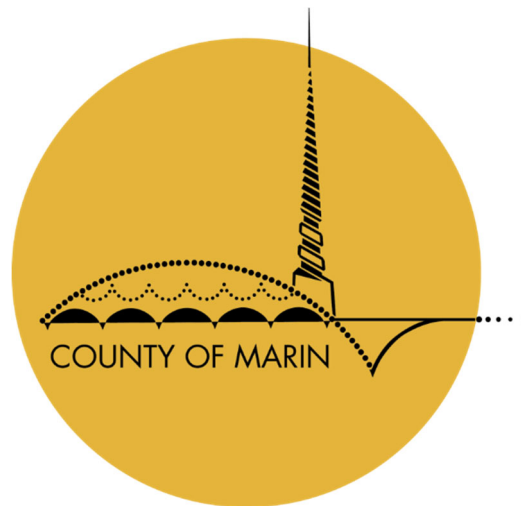
Bolded value indicates where County policy is more restrictive than Government CodeState law.

The County may apply additional restrictions, including limits on issuer concentration, maturity, ~~and collateralization, and credit standards.~~

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**COUNTY OF MARIN
DEPARTMENT OF FINANCE
STATEMENT OF INVESTMENT POLICY
LONG-TERM INVESTMENT POOL**

FISCAL YEAR 2025~~6~~-26~~7~~



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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 Long-Term Investment Pool:

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 Long-Term Investment Pool (Long-Term Investment Pool). Each transaction and the entire portfolio must comply with California Government Code Sections 53601, et. seq, Section 53635, et. seq. where applicable, 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 Long-Term Investment Pool 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 Long-Term Investment Pool shall be invested in accordance with the California Government Code Sections 53600 et seq. and Sections 53639 et seq, where applicable. The specific objectives for the Long-Term Investment Pool 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 that may be reasonably anticipated; and

-
- (c) Attaining a market **rate of return** throughout budgetary and economic cycles, 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. IMPLEMENTATION

In order to provide direction to those responsible for management of the Long-Term Investment Pool, 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 Long-Term Investment Pool.

5. PARTICIPANT

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

6. 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).

7. 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.

8. 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 ten years. 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.

9. AUTHORIZED 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.

10. 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.

11. APPORTIONMENT OF INTEREST & COSTS

Interest shall be credited to the General Fund at annual intervals corresponding to the repayment schedule of each investment.

12. 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 persons with whom the County Treasury conducts business, that are in violation of state law.

13. 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, 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.

14. 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 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 Long-Term Investment Pool.

Dated: May 9¹⁴, 20246

Mina Martinovich, CPA
Director of Finance

Reviewed and approved by Marin Treasury Oversight Committee on May 15~~4~~, 202~~5~~6.

Approved by Marin County Board of Supervisors on June 1~~0~~23, 202~~5~~6.

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County of Marin
Treasurer's Office
Monthly Report of County, Schools, and District Investments

Month	Year	Board Approval Date
September	2025	Tuesday, November 18, 2025
October	2025	Tuesday, December 16, 2025
November	2025	Tuesday, January 27, 2026
December	2025	Tuesday, February 24, 2026
January	2026	Tuesday, April 7, 2026
February	2026	Tuesday, April 14, 2026

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