



*County of Nevada ~  
Office of the Treasurer & Tax Collector*

**Tina M. Vernon**  
Treasurer & Tax Collector  
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*May 26, 2015*

Honorable Board of Supervisors  
Eric Rood Administrative Center  
950 Maidu Avenue  
Nevada City, CA 95959

**DATE OF MEETING: May 26, 2015**

**SUBJECT:** Annual Review and Resolution to approve the Treasurer’s Statement of Investment Policy and renew the delegation of authority to the Treasurer to invest county funds.

**RECOMMENDATION:** Review and Approve the Investment Policy and re-authorize the delegation to the Treasurer for investing.

**FUNDING:** None

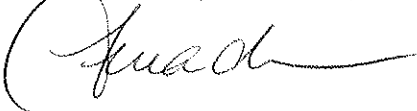
**BACKGROUND:**

State law requires that the Board of Supervisors review and approve, at a public meeting, that statement of investment policy as set forth by the Treasurer and to re-authorize the annual delegation of authority to the Treasurer to invest or reinvest the funds of the County and funds of other depositors in the County Treasury and to sell or exchange securities so purchased.

Attached is the Investment Policy for 2015-2016. This document serves as a strict set of guidelines, strategies and performance standards for Treasury staff and for all broker/dealers that are settling trades on behalf of the Treasurer in order to meet specific goals and objectives and to uphold the Prudent Investor Standard. The existing policy was reviewed in its entirety to assure that it complies with all current laws. There has been one change to the investment policy this year in regards to allowable investments under Government Code 53601. AB 1933 was passed in 2014 to allow for the investment in what we call “Supranationals”. These are United States denominated senior unsecured unsubordinated obligations issued or conditionally guaranteed by the International Bank for Reconstruction & Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). Requirements to invest in these securities requires that they have a maturity of five years or less, are eligible for sale and purchase in the United States, shall be rated “AA” or better by NRSRO and shall not exceed 30 percent of the county’s investment portfolio. Many counties have already picked up these securities for placement in their portfolios for the

purpose of diversification and value. Nevada County as with any investment will review all investment options to ensure that the choice made will be sound and add value to the portfolio without added undue risk.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tina M. Vernon", with a large, sweeping flourish extending to the right.

Tina M. Vernon  
Treasurer & Tax Collector