



MINUTES OF THE  
NAPA COUNTY TREASURY OVERSIGHT COMMITTEE  
SPECIAL MEETING  
NOVEMBER 14, 2012

A Tradition of Stewardship  
A Commitment to Service

1. **Call to Order; Roll Call:**

The Napa County Treasury Oversight Committee met in regular session on Wednesday, November 14, 2012, at 12:00 p.m. with the following members present: Chairman Mark Luce, Members Joshua Schultz, Tracy Schulze, and Jill Techel. The meeting was called to order by Chairman Mark Luce.

The following member was excused: Barbara Nemko

Also in attendance were staff members: Tamie R. Frasier, Lisa Soder, Lori G. Smith, Susan Altman and Danny Nguyen.

2. **The minutes of our last meeting (August 8, 2012) were approved.** Motioned by Jill Techel, seconded by Tracy Schulze. Motion passed 4-0.

3. **Public comment:** None.

4. **Treasurer's Report:**

➤ *Where we are today:* Our portfolio balance is \$422mm with a current interest yield of .55%. Growth in the 1<sup>st</sup> quarter of 2013 is expected to be in the 2% range; rates and growth continue to be restricted due to the continued impact of the European crisis and the pending "fiscal cliff" still to be negotiated by Washington. The FRB has indicated that short-term rates will remain at 0.0-0.25% through 2015, possibly into 2016, resulting in a lesser supply of investment opportunities. A listing of monthly Treasury rates since January, 2009, was provided to each TOC member.

➤ *LAIF update:* The most current interest rate reported was .34%. Using LAIF as our benchmark, we are still doing a bit better than LAIF.

5. **Investment Report Update:** The Treasurer reported that the change in monthly reporting to the Sympro format was completed effective July, 2012. The report is also posted on the Treasurer page of the County's website.

6. **Timeline/Project Status Update:** The Treasurer reviewed the status of major projects on Treasury Timeline. The Treasurer presented a Broker/Dealer Questionnaire with Certification to be used in both the selection and due diligence of broker/dealer firms which will be sent to all approved and potential brokers. An investment policy receipt and compliance certification on the individual trader level has also been developed. Discussion of how questionnaire was developed, including best practices and analysis of comparable counties ensued.

A discussion of Social Responsibility in relation to investing and the investment policy was held after the Treasurer reported on the results of research on this subject. It was acknowledged that this type of consideration is conducted mainly by very large entities that trade in equity and debt securities, which the county does not. The committee members requested that the Treasurer consider the addition of a generic statement to the investment policy.

**7. Other Business:**

- *2013 Regular Meeting Calendar.* The 2013 meeting schedule was reviewed and approved by the committee after a brief review of historical actions taken by the Committee regarding frequency of meetings.
- *By-Laws.* Committee By-Laws will be reviewed by County Counsel and added to a future agenda as an action item.

**8. Legislative Update:** None

**9. Committee Member Comments/Report:** Joshua Schultz commented on School Bonds in general and the issues of CAB's (Capital Appreciation Bonds) in part or in whole as a financing tool. He is anticipating attending a seminar regarding school bond issuance, legislation, requirements, and debt issuance practices.

**10. Adjournment:** Adjourned 1:05 p.m. to the Napa County Treasury Oversight Committee Meeting on February 6, 2013, at 12:00 p.m. Thank you to everyone in attendance.