

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF INVESTMENT)
 ADVISER AGREEMENT WITH) Resolution No. 2018-0663
 PFM ASSET MANATEMENT LLC) Agreement No. 28775
)

UPON MOTION OF SUPERVISOR VANDER POEL, SECONDED BY SUPERVISOR ENNIS, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD AUGUST 14, 2018, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS CROCKER, VANDER POEL, SHUKLIAN, WORTHLEY, AND ENNIS
 NOES: NONE
 ABSTAIN: NONE
 ABSENT: NONE



ATTEST: MICHAEL C. SPATA
 COUNTY ADMINISTRATIVE OFFICER/
 CLERK, BOARD OF SUPERVISORS

BY: Mary Kelleo
 Deputy Clerk

1. Approved the agreement with PFM Asset Management, LLC for the Medium Maturity Investment Pool (1 to 5 Years) at a rate of .055% for the first \$600 million and .035% for amounts over \$600 million with a \$375,000 cap for the first year. The contract will take effect on September 1, 2018 and shall continue until this agreement is terminated.
2. Authorized the Chairman to sign four copies of the agreement.

Treasurer/Tax-Collector

HAR
 08/14/2018



**TREASURER
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: August 14, 2018 - **REVISED**

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
County Counsel Sign-Off	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Hiley Wallis PHONE: 559.636.5265

SUBJECT: Investment Adviser Agreement with PFM Asset Management LLC

REQUEST(S):

That the Board of Supervisors:

1. Approve the agreement with PFM Asset Management, LLC for the Medium Maturity Investment Pool (1 to 5 Years) at a rate of .055% for the first \$600 million and .035% for amounts over \$600 million with a \$375,000 cap for the first year. The contract will take effect on September 1, 2018 and shall continue until this agreement is terminated.
2. Authorize the Chairman to sign four copies of the agreement.

SUMMARY:

The Tulare County Treasurer has been entrusted with the safekeeping of public monies received from public sources. The County Treasurer shall exercise a high degree of professionalism while managing the investment portfolio, to ensure and sustain public confidence, remembering that both the investment instruments and the methods of transacting investment business are subject to public review and scrutiny. It is with this in mind that the Treasurer is seeking the services of an investment adviser for the treasury pool.

Due to the complex nature of the national economy, it is the belief of the Treasurer that the use of an investment adviser is in the best interest of the treasury pool participants. The staff and resources of an investment advisory firm are far reaching. Historically, these Advisers have proven very beneficial during a financial crisis. In addition to providing the best returns for pool participants, Tulare County suffered no losses from bad investments during the last financial crisis. This was

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DATE: August 14, 2018

not the case for many of our counterparts. An investment adviser will provide the following:

- Discretionary investment management services for the Medium Maturity Investment Pool (1 to 5 years).
- Provide input regarding the appropriate measurement of portfolio performance and benchmarks to assess performance.
- Communicate regularly with county staff on investment decisions and strategy.
- Provide information regarding current and forecasted market and economic conditions.
- Review and evaluate the County's Investment Policy and provide written comments and recommend changes as needed.
- Provide monthly reports on investment activity, earnings and market value of the portfolio holdings. Provide quarterly reports showing the portfolio's rate of return and sufficient detail for accounting and financial statement purposes.

Treasury staff issued a RFP in March of 2018. There were three qualified responses and PFM was chosen based on their track record with the county, resources and qualifications to manage the treasury pool, and their fee schedule.

FISCAL IMPACT/FINANCING:

There will be no additional financial impact to the general fund.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Strategic Initiative 2 - The use of financial advisers will promote economic well-being of the investment pool.

ADMINISTRATIVE SIGN-OFF:



Cass Cook
Auditor-Controller/Treasurer-Tax Collector

cc: County Administrative Office (2)

Attachment(s) Agreement
Exhibit A
Exhibit B
Exhibit C
Exhibit D
Exhibit E