



# County of Sonoma

## State of California

Date: December 7, 2021

Item Number: 2021-1220

Resolution Number: \_\_\_\_\_

☐ 4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California, The Board Of Directors Of The Sonoma County Water Agency, The Board Of Commissioners Of The Community Development Commission, And The Board Of Directors Of The Sonoma County Agricultural Preservation And Open Space District, Authorizing The County Treasurer To Assume Full Responsibility For All Transactions And Expenditures Related To The Investment And Reinvestment Of Funds On Deposit In The County Treasury**

**Whereas**, Ordinance 5037 dated June 17, 1997 authorized the County Treasurer of the County of Sonoma to invest and reinvest funds as provided by California Government Code Sections 27000.0 and 27000.3; and

**Whereas**, the Sonoma County Treasurer as has been designated as the agent of the County with regards to investment of funds, to serve as fiduciary of the funds and be subject to the Prudent Investor Standard; and

**Whereas**, Government Code Section 53607 allows Board to renew this one-year delegation annually; and

**Whereas**, Government Code Section 53601 has been amended, broadening the scope of allowed investments, which has modified the prohibition on negative return investments:

(1) No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601 of Government Code.

(2) Notwithstanding the prohibition in paragraph (1), investments in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, shall be permitted in the event of, and for the duration of, a period of negative market interest rates. These instruments may be held until their maturity dates. This section shall remain in effect only until January 1, 2026, and as of that date is repealed; unless Section 53601.6(b)(2) is repealed or changed prior to that date, in which case this section will be repealed as of the date in Section 53601.6(b)(2).

**Now, Therefore, Be It Resolved** that the Board of Supervisors, acting as the Governing Board of Sonoma County and as the Governing Board of Directors of the various districts listed above, hereby renews its delegation of authority for investments to the Treasurer of Sonoma County to invest and reinvest funds as provided by Government Code Section 27000.1 and 27000.3;

**Be It Further Resolved** that the Investment Policy Statement be modified to reflect changes in Government Code Section 53601.

**Supervisors:**

Gorin:

Rabbitt:

Coursey:

Gore:

Hopkins:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**