

# **Exhibit I**

**County of Monterey Treasury Oversight Committee Charter  
Final Version**

**Monterey County Treasury Oversight Committee Charter**  
**Established November 4, 2008**  
**(Updated 7-29-2014)**

Section 1:     COMMITTEE FORMATION

There is hereby created the Monterey County Treasury Oversight Committee. The Committee is created pursuant to California Government Code Section 27130 et seq. and Board Resolution 08-329, adopted November 4, 2008.

Section 2:     COMPOSITION

The Treasury Oversight Committee shall be nominated by the County Treasurer and confirmed by the Board of Supervisors. The Committee shall consist of six members including: the Treasurer-Tax Collector, the County Administrative Officer or his/her designee; the County Superintendent of Schools, or his/her designee; a representative of the governing bodies of County School Districts; a representative of the legislative bodies of County Special Districts that are authorized depositors in the County Treasury; and a member of the public.

Section 3:     TERM

Unless otherwise established by statute, the term of Committee members remains in perpetuity. Replacement Committee members may be nominated by the Treasurer when a vacancy on the Committee occurs.

A Committee Chair shall be selected by a majority vote of the Committee members and shall continue such duties in perpetuity.

Section 4:     MEMBERSHIP PROHIBITION

Pursuant to California Government Code Section 27132 et seq., members of the Treasury Oversight Committee 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.

Pursuant to Government Code Section 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.

Pursuant to Government Code Section 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.

Section 5:     DUTIES

The Committee shall meet at least annually, or as needed, and shall review Investment Policy and report on compliance with such policy.

The County Treasury Oversight Committee shall cause an annual audit to be conducted to determine the County Treasury's compliance with this article. The

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audit may include issues relating to the structure of the investment portfolio and risk.

Section 6: INVESTMENT POLICY

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 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.

Section 7: STATEMENT OF ECONOMIC INTEREST

Members of the Treasury Oversight Committee are designated in the Conflict of Interest Code of the Treasurer-Tax Collector, and must file statements of economic interest with the Treasurer-Tax Collector as required.

Section 8: COMMITTEE LIMITATION

Pursuant to Government Code Section 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.