

# Grand Jury Report

## RESPONSE FORM

**Grand Jury Report Title: County Treasury Investment Pool**

**Report Dated: 6/9/14**

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**Response Form Submitted By:**

Mendocino County Board of Supervisors

**Response MUST be submitted, per Penal Code §933.05, no later than:**

**9/7/14**

**We have reviewed the report and submit our responses to the FINDINGS portion of the report as follows:**

- x We agree with the Findings numbered:  
1, 2, 3, 4, 6, 8
- x We disagree wholly or partially with the Findings numbered below, and have **attached, as required**, a statement specifying any portion of the Findings that are disputed with an explanation of the reasons therefore.  
5, 7, 9

**We have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:**

- x The following Recommendation(s) have been implemented and **attached, as required**, is a summary describing the implemented actions:  
5
- x The following Recommendation(s) have not yet been implemented, but will be implemented in the future, and **attached, as required**, is a time frame for implementation:  
1, 2, 4

- The following Recommendation(s) requires further analysis, and **attached as required**, is an explanation and the scope and parameters of the planned analysis, and a time frame for the matter to be prepared, discussed and approved by the officer and/or director of the agency or department being investigated or reviewed: (This time frame shall not exceed six (6) months from the date of publication of the Grand Jury Report):
- x The following Recommendations will NOT be implemented because they are not warranted and/or are not deemed reasonable, and **attached, as required** is an explanation therefore:  
3

*We have completed the above responses, and have attached, as required the following number of pages to this response form:*

Number of Pages attached: 2

*We understand that responses to Grand Jury Reports are public records. They will be posted on the Grand Jury website: [www.co.mendocino.ca.us/grandjury](http://www.co.mendocino.ca.us/grandjury). The clerk of the responding agency is required to maintain a copy of the response.*

*We understand that we must submit this signed response form and any attachments as follows:*

First Step: E-mail (word documents or scanned pdf file format) to:

- The Grand Jury Foreperson at: [grandjury@co.mendocino.ca.us](mailto:grandjury@co.mendocino.ca.us)
- The Presiding Judge: [grandjury@mendocino.courts.ca.gov](mailto:grandjury@mendocino.courts.ca.gov)

Second Step: Mail all originals to:

Mendocino County Grand Jury  
P.O. Box 939  
Ukiah, CA 95482

Printed Name: Douglas L. Losak

Title: Acting County Counsel

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**MENDOCINO COUNTY BOARD OF SUPERVISORS' RESPONSE TO GRAND  
JURY REPORT TITLED:**

**COUNTY TREASURY – INVESTMENT POOL**

**FINDINGS:**

**F5 - The County Board of Supervisors is exercising proper responsibility in requiring periodic performance reports on the Investment Pool from the County Treasurer. The reports on the investments meet the County Investment Policy goals of security and liquidity. The reports do not provide information regarding whether a reasonable rate of return on the investments was obtained.**

The Board of Supervisors disagrees in part with this Finding. The reports that the Board is requiring are authorized under Gov. Code 53646. This statute does not require the Treasurer to report on whether a reasonable rate of return on investments is being obtained. This information is reported on an annual basis.

**F7 - The investment of Investment Pool funds locally is not possible under current legislation.**

The Board of Supervisors disagrees in part with this Finding. Investments in local banks and credit unions is permissible under applicable laws, (Gov. Code § 53601) although it is not always practicable, nor is it always possible for local entities to compete because of the statutory requirements.

**F9 – The quarterly reviews of the County Treasury by the County Auditor per Government Code §26920(a) are not available or reported to the Board of Supervisors.**

The Board of Supervisors disagrees in part with this Finding. The Board of Supervisors agrees with and incorporates by reference the response of the County Auditor-Controller to this Finding.

**RECOMMENDATIONS:**

**R1 - Additional resources for evaluating the social responsibility of the investment instruments in the portfolio be identified and applied. (F3)**

The Recommendation will be implemented. The County Board of Supervisors agrees with and incorporates by reference the response of the County Treasurer.

**R2 - Performance parameters be included in the Pooled Investment Reports that indicate what return on investments has been obtained. (F2, F5)**

The Recommendation will be implemented. The County Board of Supervisors agrees with and incorporates by reference the response of the County Treasurer.

**R3 - An Oversight Committee of members of the participating agencies and representatives of the financial and interested community be organized and utilized. (F4)**

The Recommendation will not be implemented as it is not warranted. The County Board of Supervisors agrees with and incorporates by reference the response of the County Treasurer.

**R4 - Out-reach be made to local banks to obtain dialogue concerning future participation among the banks and the County Treasury Investment Pool. (F7)**

The Recommendation will be implemented by the end of the calendar year. The County Board of Supervisors agrees with and incorporates by reference the response of the County Treasurer.

**R5 - The quarterly review of the County Treasury be performed and a report be provided to the Board of Supervisors as required by Government Code §26920(a). (F9)**

This Recommendation has been implemented. The County Treasurer, pursuant to established practice, has and does comply with all of the requirements of Gov. Code §26920, including subsection (a).