



## Legislation Details (With Text)

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**File created:** 7/15/2021      **In control:** BOARD OF SUPERVISORS  
**On agenda:** 7/20/2021      **Final action:**  
**Title:** (a) Consideration of County Investment Policy; and (b) Consideration of Agreement for Investment Advisory and Management Services  
**Sponsors:** Administrative Office  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. County of Lake - Investment Policy - Revised 7-15-2021, 2. County of Lake - Investment Advisory Services Agreement - 07-20-2021 - s...

Date	Ver.	Action By	Action	Result
7/20/2021	1	BOARD OF SUPERVISORS		

### Memorandum

**Date:** July 20, 2021  
**To:** The Honorable Bruno Sabatier, Chair, Lake County Board of Supervisors  
**From:** Carol J. Huchingson, County Administrative Officer  
**Subject:** (a) Consideration of County Investment Policy; and (b) Consideration of Agreement for Investment Advisory and Management Services

**Executive Summary:** (include fiscal and staffing impact narrative):  
Proposed Agreement for Investment Advisory and Management Services

On October 28, 2020, per your Board's direction, a request for proposals (RFP) was issued for Investment Advisory and Management Services. Proposals were received from three different firms, and ultimately Chandler Asset Management Inc. (Chandler) was selected with the highest score after the review process was completed.

Chandler will assist the County by providing a variety of services, including advisory functions and the production of comprehensive reporting on the County's investments. As part of the process, Chandler will review the County's investment policy and help create an investment portfolio that most effectively serves the County's needs.

The agreement would begin on August 1, 2021, and the compensation is based on a variable percentage depending on the balance of the County's portfolio. A rough estimate of annual cost, based off past balances, would be approximately \$116,800. This would represent an increased cost for the County of approximately \$95,200, however, the increase in costs should be offset by the ability to safely maximize the County's return on investments. Furthermore, the County will benefit from additional services provided by Chandler, including production of investment reporting that is in compliance with applicable laws and regulations.

Delegation of Investment Authority

The Board of Supervisors can, pursuant Government Code 53607 & 27000.1, delegate its investment authority to the County Treasurer on an annual basis. This delegation has lapsed as it has not been brought before the Board since October 8, 2019.

At this time, your Board retains this investment authority and will enter into an agreement directly with Chandler. This will enable your Board to conduct a full review of the County's investments, taking an active role in setting investment policy and reporting structure going forward. Corresponding recommended changes have been made to the County's Investment Policy that is incorporated into this agreement. Your Board will work closely with both the Treasurer-Tax Collector's office and Chandler, through the Treasurer-Tax Collector ad hoc committee, to develop and implement the new investment practices.

A copy of the proposed agreement, along with the updated Investment Policy, is attached for your Board's consideration.

**If not budgeted, fill in the blanks below only:**

Estimated Cost: \_\_\_\_\_ Amount Budgeted: \_\_\_\_\_ Additional Requested: \_\_\_\_\_ Future Annual Cost: \_\_\_\_\_

**Consistency with Vision 2028 and/or Fiscal Crisis Management Plan** (check all that apply):

- |  |  |   |  |
|--|--|---|--|
| <input type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety               | <input type="checkbox"/> Infrastructure   | <input type="checkbox"/> Not applicable                        |
| <input type="checkbox"/> Economic Development    | <input type="checkbox"/> Disaster Recovery           | <input type="checkbox"/> County Workforce | <input checked="" type="checkbox"/> <i>Technology Upgrades</i> |
| <input type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake       | <input checked="" type="checkbox"/> <i>Revenue Generation</i>  |
|  |  |   | <input type="checkbox"/> <i>Cost Savings</i>                   |

**If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:**

Which exemption is being requested?

How long has Agreement been in place?

When was purchase last rebid?

Reason for request to waive bid?

**Recommended Action: Approve County Investment Policy and Approve Agreement for Investment Advisory and Management Services.**