



BUTTE COUNTY TREASURY OVERSIGHT COMMITTEE

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David A. Houser, Butte County Auditor-Controller
Maureen Kirk, 3rd District Supervisor
Kathy White, Trustee, Oroville City Elementary School District, School District's Representative
Kevin Bultema, Assistant Superintendent, Superintendent of Schools Representative
Mark Sweany, Chico Area Recreation & Park District – Special Districts Representative

MINUTES - October 13, 2009

Attending Members: Maureen Kirk, Chair
Kathy White, Vice Chair
Mark Sweany
Kevin Bultema

Others: Peggy Moak, Assistant Treasurer-Tax Collector, Acting Secretary

Consent Agenda

3.01 The committee reviewed and approved the minutes from the July 21, 2009 Treasury Oversight Committee Meeting. Action: Approve Consent Agenda

M - Sweany S - White Motion carried

3.02 Investment Reports for the months of June, July and August 2009 were submitted and accepted for information.

M - Sweany S - White Motion carried (as part of motion to accept Consent Agenda)

Regular Agenda

4.01 Review and discussion of recommended changes to By Laws. Action: Discussion included a request that Quarterly Investment Reports be emailed to committee members if future meetings are to be held less frequently upon approval of the suggested changes, and mention of posting the agendas and minutes to the Treasurer-Tax Collector website be added.

4.02 Treasurer's Update – see attached "Daily Investing Practices"

4.03 There being no New Business or Public Comment, the meeting was adjourned at 8:55 AM. The next meeting is scheduled for Tuesday, April 13, 2010.

Treasurer's Report

Butte County Treasury Daily Investing Practices

Each morning, Treasury staff balances the checking accounts for the Pooled Treasury, and assesses the cash flow needs to cover that day's banking activity. Once we determine how much of a balance is required to cover all checks, outgoing wire transfers and other electronic activity, Colleen or Peggy calls LAIF and authorizes a transfer of funds either from or to US Bank.

This daily monitoring allows the Treasury to maximize interest earnings on cash needed for ongoing operations. To give you an example of how this affects the bottom line, a transfer of just \$1,000,000 per day, assuming a LAIF yield of 3% average for the year, provides the portfolio with an additional \$30,000 in earnings. It's just one way that we work to maximize revenues and minimize costs for our depositors.

Transfer amounts generally vary from \$1,000,000 to \$15,000,000 daily, depending upon what is deposited and what payments are going out. Close monitoring of balances is a responsible and effective means of enhancing the overall performance of the Treasury.

In addition to daily activity, we monitor historical cash flows and do our best to predict cash flow needs at least a year ahead. This affects how funds are invested in the medium term ladder. Many factors are taken into consideration, including the Treasury market, the economy, the State's funding practices for mandated programs, information from schools and other entities participating in the pool, and of course anticipated tax receipts and expected outflows. Extensive tracking is completed and updated at least monthly to keep us on top of liquidity needs. The graph on the "Chart" page of the Investment Report gives one a fair idea how the balances in the Pooled Portfolio wax and wane over time, and supports our ability to invest \$250M - \$275M in the medium term ladder which, in turn, generally allows us to maximize yields for the portfolio.