BYLAWS AND RULES OF PROCEDURES
OF THE COUNTY OF ORANGE TREASURY OVERSIGHT COMMITTEE

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(Approved by B.O.S. on 12/15/2015)

BYLAWS AND RULES OF PROCEDURES
OF THE COUNTY OF ORANGE TREASURY OVERSIGHT COMMITTEE

I. GENERAL PROVISIONS

Rule 1. The Bylaws and Rules of Procedures (hereinafter "Rules") shall govern the business of the County of Orange Treasury Oversight Committee (hereinafter "Committee").

Rule 2. Committee meetings shall be open to the public and subject to the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) (hereinafter "Brown Act"), as it may be amended from time to time.

Rule 3. Regular meetings of the Committee shall occur at the time and place and on the dates determined by resolution of formal action of the Committee.

II. MEMBERSHIP, APPOINTMENTS AND QUALIFICATIONS

Rule 4. The Committee was established by the County of Orange Board of Supervisors on December 19, 1995 by Resolution No. 95-946.

Rule 5. The exact size of the Committee and the categories from which the members shall be represented shall be determined by the Board of Supervisors, in consultation with the County Treasurer. The members shall be nominated by the Treasurer and confirmed by the Board of Supervisors.

Rule 6. As determined by the Board of Supervisors, in consultation with the Treasurer, the Committee shall consist of the following seven members:

(a) The County Auditor-Controller or designee

(b) The County Executive Officer, the representative appointed by the County Board of Supervisors, or designee

(c) The County Superintendent of Schools or designee

(d) Four members of the public

Rule 7. All Committee members shall serve at the pleasure of the Board of Supervisors, and may be removed at any time, with or without cause, at the sole discretion of the Board of Supervisors.

Rule 8. The Board of Supervisors may reduce the Committee to three members. The Board of Supervisors may expand the size of the Committee to eleven members with the addition of any of the following members:

(a) The County Treasurer.

(b) A representative selected by a majority of the presiding officers of the government bodies of the school districts and community college districts in the County.

(c) A representative selected by a majority of the presiding officers of the legislative bodies of special districts in the County that are required or authorized to deposit funds in the County treasury.

(d) Up to one other member of the public.

Rule 9. The term of office of each public member shall be limited to 2 three-year terms. In the case of a vacancy for a member of the public or other members, the term of office shall be until the selection of a successor by the Board of Supervisors.

Rule 10. A majority of the public members shall have expertise in, or an academic background in, public finance.

Rule 11. A member or his designee 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 or 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.

Rule 12. A member or his designee 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.

Rule 13. A member or his designee may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with 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.

Rule 14. The Committee may establish volunteer advisory subcommittees in order to secure specific areas of expertise necessary to meet the objectives of the Committee. The Committee will establish criteria for choosing such subcommittee members.

Rule 15. All Public Committee members shall be residents of Orange County and shall maintain their primary residency within the County throughout their term on the Committee. Change in primary residency outside Orange County shall result in automatic forfeiture of their Committee appointment.

III. CHAIR AND VICE CHAIR - POWERS AND DUTIES

Rule 16. At the first meeting of the Committee, the Committee will elect a Chair and Vice Chair. Thereafter, at the first meeting of the Committee in each calendar year, the Committee shall elect a Chair and Vice Chair to serve for the calendar year.

Should the Chair or Vice Chair cease to be a member of the Committee, the remaining members of the Committee shall elect a Chair or Vice Chair at the next meeting of the Committee. The officer so elected shall serve for the unexpired portion of the term of office.

Rule 17. In the absence or inability of the Chair to preside over Committee meetings, the Vice Chair will perform such duties. If neither the Chair nor the Vice Chair is able to preside, the members of the Committee present, shall by an order entered in the minutes, select one of the members to act as Chair Pro Tem. The Chair Pro Tem shall have all the powers and duties of the Chair during the Chair's absence or inability to act.

Rule 18. The Chair shall preside at all meetings of the Committee and shall take the Chair at the hour appointed for every Committee meeting and immediately call the members to order and, except in the absence of a quorum, shall proceed with the business of the Committee in the manner prescribed in these Rules.

Rule 19. A majority of the members shall constitute a quorum for the purpose of transacting of business relating to the Committee. Each member shall be entitled to one vote. A vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any option, resolution or order and to take any other action deemed appropriate to carry forward the objective of the Committee.

Rule 20. In the event that a member chooses to resign from the Committee, the member will notify the Chair in writing, at least 30 days prior to the effective date of resignation. The Chair, upon receipt of any member's resignation, will coordinate the appointment of a replacement member.

IV. AGENDA, SCHEDULING AND ORDER OF MEETINGS

Rule 21. An agenda shall be prepared by the Chair for each meeting and shall include a description and summary, if appropriate, for each item of business so listed. For any regular meeting of the Committee, the notice and agenda shall be posted no later than 72 hours prior to the time set for the meeting. For any special meeting of the Committee, the notice and agenda shall be posted no later than 24 hours prior to the meeting time.

The agenda will be timely distributed to members of the Committee prior to each meeting. In compliance with the Brown Act, the agenda shall specify the date, time and location of the meeting and shall be posted in a location that is freely accessible to the public.

Rule 22. Minutes of each meeting will be kept under direction of the Chair. Minutes of the preceding meeting will be distributed to Committee members in advance of the next meeting for review. Approval of the preceding meeting's minutes will be the first item of business at the following meeting.

Rule 23. Under the requirements of the Brown Act, members of the public have the right to address the Committee. Public comment segments will be scheduled in the agenda at the beginning and end of each meeting. Comments shall be limited to three (3) minutes per speaker, unless an extension is granted by the Chair.

Persons addressing the Committee shall state their name and city of residence for the record. All remarks will be addressed to the Committee as a body and not to any specific members. No person, other than a member of the Committee, and the person addressing the Committee shall be permitted to enter into any discussion without the permission of the Chair. Whenever a group of persons wishes to address the Committee on the same topic, it shall be proper for the Chair to request a spokesperson be chosen to represent the group.

Any person making slanderous or profane remarks while addressing the Committee or while attending a meeting may be called to order by the Chair. If such conduct continues so as to disrupt the orderly conduct of the meeting, the Chair may order that person removed from the meeting room. In the event that a meeting is interrupted so as to render orderly conduct of the meeting unfeasible, and order cannot be restored, the Committee on majority vote, may order the room cleared and continue or adjourn the meeting.

Rule 24. The Committee shall conduct its meetings under Robert's Rules of Order, except as modified by these Rules. The Chair will decide all questions of order, unless overridden by a majority of the Committee members present.

Rule 25. Members of the Committee shall attempt to attend all meetings. If any member of the Committee is unable to attend, reasonable effort shall be made to notify the Chair prior to the meeting.

Rule 26. The Committee will receive staff support through the Office of the Treasurer.

V. COMMITTEE AUTHORITY AND OBJECTIVES

Rule 27. The Committee's authority is determined by the provisions of Article 6 of Division 2 of Title 3 of the Government Code, County Treasury Oversight Committees, Sections 27130-27137 (hereinafter "Article 6").

Rule 28. The Committee shall review and monitor the annual investment policy prepared by the Treasurer in accordance with Section 27133. The investment policy shall include all of the following:

(a) A list of securities or other instruments in which the County 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.

(c) The criteria for selecting security brokers and dealers from, to, or through whom the County 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 Treasurer, any member of the Board of Supervisors, or any candidate for those offices.

(d) Limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers and other persons with whom the Treasurer conducts business by any member of the Committee. These limits may be in addition to the limits set by the Committee member's own agency, by state law, or by the Fair Political Practices Commission.

(e) A requirement that the Treasurer provide the Committee with an investment report as required by the Board of Supervisors.

(f) The manner of calculating and apportioning the costs, authorized by Section 27103, of investing, depositing, banking, auditing, reporting, or otherwise handling or managing of 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.

Rule 29. In accordance with Section 27134, the Committee shall cause an annual audit to be conducted to determine the Treasurer's compliance with Article 6. The audit may include issues relating to the structure of the investment portfolio and risk.

Rule 30. In accordance with Section 27137, the Committee shall not direct individual investment decisions, select individual investment advisors, brokers, dealers or impinge on the day-to-day operations of the Treasurer.

Rule 31. In accordance with of Resolution 95-946, clause 6, of the County of Orange Board of Supervisors the Committee shall present an oral and written report to this Board during open session no less frequently than annually. In all instances, the Committee shall be required to immediately report to this Board any substantial concern relative to the Treasurer's compliance with applicable law, County policy or treasury policy, if such shall come to the attention of the Committee.

Rule 32. In accordance with Board Resolution 95-946, the Committee shall investigate any and all irregularities in the Treasurer's Operations, which become known to the Committee. The Committee will develop and document policy and procedures to investigate and report such irregularities.

VI. MISCELLANEOUS PROVISIONS

Rule 33. These Rules are effective upon approval by the Board of Supervisors and are subject to amendment by the Committee, as appropriate for the efficient functioning of the Committee, to implement changes by the Board of Supervisors and to comply with the statutory and other legal requirements.

Rule 34. At any meeting, but not less frequently than the last meeting of each calendar year, the Committee shall review, discuss and approve any changes or amendments to the Bylaws and Rules of Procedure. Should any changes or amendments be approved by the Committee, such changes or amendments shall be presented to the Board of Supervisors for approval.

Rule 35. Upon accepting appointment as a member of the Committee, and annually thereafter, each member shall submit a state mandated conflict of interest form (form 700), and a signed Certificate of Compliance to the Treasurer attesting that the member is aware of and in full compliance with all requirements included in Rules 11 through 13, inclusive, and will remain in compliance during membership and for the requisite period of time after membership has been terminated. In addition, each member shall complete state mandated ethics training every two years.