



City of Rialto

Legislation Text

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For City Council Meeting [January 28, 2020]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Manager

FROM: Edward J. Carrillo, City Treasurer

Request City Council to Amend the list of City Staff Members authorized to Invest Public Monies in the Local Agency Investment Fund and that the City Council adopt **Resolution No. 7593** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO RESCINDING RESOLUTION NO. 2887 AND AUTHORIZING INVESTMENT OF PUBLIC MONIES IN THE LOCAL AGENCY INVESTMENT FUND" and Board of Directors of the Rialto Utility Authority Adopt **Resolution No. 02-20** "A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE RIALTO UTILITY AUTHORITY OF RIALTO, CALIFORNIA RESCINDING RESOLUTION NO. 2-01 AND AUTHORIZING INVESTMENTS OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND"

BACKGROUND

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute in 1976 as an investment alternative for California's local governments and special districts. The enabling legislation for LAIF is codified in section 16429.1 *et seq.* of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio which invests hundreds of millions of dollars through the State Treasurer's office investment staff. LAIF is reported to be about 24% of the Pooled Money Investment Account (PMIA). As of September 30, 2019, LAIF has 2,373 participants and \$24.5 billion.

On March 4, 1986, the City Council adopted Resolution No. 2887, which authorized certain people to deposit and withdraw money into LAIF, namely the City Treasurer, Assistant City Treasurer, and Account Clerk II. On June 5, 2001, the Board of the Rialto Utility Authority (RUA) adopted Resolution No. 2-01, which authorized only the City Treasurer to deposit and withdraw money into LAIF.

The City Treasurer's office has recently changed the titles of staff positions. As such, these new titles need authorization to order the deposit or withdrawal of money in LAIF. The designation of the staff title names are reported to the State Treasurer's Office as those authorized to deposit and withdraw money.

ANALYSIS/DISCUSSION

In order to authorize the new City staff positions to deposit and withdraw money in LAIF, the City Council and Board of the RUA are requested to rescind the previous resolutions and adopt new resolutions reflecting the staff title changes. The attached resolutions for City Council's and Board's consideration rescind Resolution Nos. 2887 and 2-01 and authorize the following titles to order the

deposit or withdrawal of money in LAIF: City Treasurer, Assistant City Treasurer/Investment Officer, Deputy City Treasurer/Senior Accounting Assistant.

ENVIRONMENTAL IMPACT

The request is not a Project as defined by Section 15378(a)(4) of the California Environmental Quality Act (CEQA). A “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to section 15378(b) “Project” does not include:

(4) The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

GENERAL PLAN CONSISTENCY

This action is consistent with Guiding Principle 3 of the General Plan:

Businesses, City government, and economic development organizations will continue to work together to strengthen the local economy and support businesses.

LEGAL REVIEW

The City Attorney’s office has assisted in preparing this staff report.

FINANCIAL IMPACT

Regular LAIF accounts are subject to a \$65 million cap and 15 transactions per month. The amount of actual funds deposited into the account are unknown because at this time, the resolutions as written authorize the discretionary deposit of funds into LAIF by the City Treasurer’s office.

LAIF administrative costs are minimal and are assessed quarterly. The Government Code states that administrative costs are not to exceed 5% of quarterly earnings of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly earnings of the fund for the subsequent fiscal year (Government Code Section 16429.1). These fees cover actual costs to administer LAIF program.

Interest on investments is calculated on a dollar-day basis to guarantee equitable distribution among all member funds and is paid quarterly.

RECOMMENDATION

Recommend that the City Council adopt a Resolution, entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO RESCINDING RESOLUTION NO. 2887 AND AUTHORIZING INVESTMENT OF PUBLIC MONIES IN THE LOCAL AGENCY INVESTMENT FUND” and Board of Directors of the Rialto Utility Authority adopt a Resolution, “A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE RIALTO UTILITY AUTHORITY OF RIALTO, CALIFORNIA RESCINDING RESOLUTION NO. 2-01 AND AUTHORIZING INVESTMENTS OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND”