

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: AUTHORIZATION OF INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND
STAFF PRESENTER: ARVIN LOOK, FINANCIAL ANALYST
FINANCE DEPARTMENT
AGENDA ACTION: RESOLUTION

ISSUE(S)

Should the Council, by resolution, authorize the Chief Financial Officer, Budget and Financial Analysis Manager, Administrative Services Officer (Finance Department), and Financial Analyst, to order the deposit or withdrawal of monies in the State of California Local Agency Investment Fund (LAIF)?

BACKGROUND

1. The City Council Statement of Investment Policy Number 000-26 authorizes investments in pooled money investment programs, including the Local Agency Investment Fund in the State Treasury, authorized by the State of California Government Code Section 16429.1, operated as part of the State Pooled Money Investment Program. LAIF administration requires a current resolution authorizing specific City of Santa Rosa officers "or their successors" to deposit or withdraw monies in LAIF.

ANALYSIS

1. The City of Santa Rosa investment program includes investments in pooled money investment programs, such as LAIF. LAIF is a voluntary program created by statute. It began in 1977 as an investment alternative for California's local governments and special districts and it continues today under California State Treasurer Bill Lockyer's administration. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code.
2. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff at no additional cost to the taxpayer.

3. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The State Treasurer's Office (STO) is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the STO website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investments and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.
4. Funds invested in LAIF as part of the City's investment program are utilized to provide daily liquidity, while also obtaining a competitive rate of return.
5. Transactions with LAIF by authorized signers are subject to secure controls, that limit the deposit or withdrawal of funds to only designated (previously authorized) City and LAIF accounts.
6. LAIF requires a resolution authorizing City staff to deposit and withdraw monies. The City has had a number of changes to staff and position titles in the aforementioned positions, making it necessary to update our records with LAIF. It is in the City's best interest to have a current resolution on file with LAIF.

RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, authorize the Chief Financial Officer, Budget and Financial Analysis Manager, Administrative Services Officer (Finance Department), and Financial Analyst, to order the deposit or withdrawal of monies in the State of California Local Agency Investment Fund.

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Attachments: None