



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: APRIL 13, 2021
DEPARTMENT: FINANCE
FROM: MATT N. PRESSEY, CPA, FINANCE DIRECTOR
TITLE: LOCAL AGENCY INVESTMENT FUND (LAIF) INVESTMENT AUTHORIZATION

RECOMMENDED MOTION:

A motion to approve two Resolutions authorizing City staff to deposit and withdraw City funds and Successor Agency funds in the State's Local Agency Investment Fund (LAIF).

RECOMMENDATION:

Approve two Resolutions authorizing City staff to deposit and withdraw City funds and Successor Agency funds in the State's Local Agency Investment Fund (LAIF).

EXECUTIVE SUMMARY:

The State of California Local Agency Investment Fund (LAIF) requires that the City submit an updated list of the City staff authorized to deposit and withdraw money into, and out of, the State investment pool. With the turnover of staff, an updated resolution is needed to the authorization list to be current. The City Council is asked to approve two resolutions in a format required by LAIF authorizing staff to act on behalf of the City and the Successor Agency to the former Redevelopment Agency in dealing with LAIF.

BACKGROUND:

LAIF is a State investment pool administered by the Treasurer of the State of California into which cities and other local governmental entities may invest idle funds. By pooling the cash deposited by these local agencies, LAIF staff is able to invest through a diversified portfolio with savings on security purchase costs due to economies of scale. The pool invests in high quality securities to insure the portfolio safety; however, the portfolio is managed so that any agency can withdraw up to all of its deposits on any given day, subject to certain restrictions. LAIF staff has managed to achieve exceptional yields over the life of the investment pool considering its emphasis on safety and liquidity.

California Government Code section 16429.3 protects the local governmental entities' funds from seizure, impoundment, loan or transfer by the State of California. If the State fails to adopt a

budget, California Government Code section 16429.4 protects the rights of participating local agencies to withdraw funds upon demand. Such rights cannot be “altered, impaired or denied in any way,” by any State official or State agency under this code section.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

This item indirectly promotes all four of the Council 2020-2023 Strategic Planning Goals: 1) Investment Strategies/Risk Management, 2) New Revenue, 3) Operational Efficiencies, 4) Public Safety.

DEPARTMENTAL COORDINATION:

This item was the combined effort of the Administration, Legal and the Finance Departments.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal impact on the City other than the continued investment earnings earned in LAIF.

ATTACHMENTS:

1. Resolution – City
2. Resolution – Successor Agency