



## Agenda Report

20-886

Agenda Date: 11/10/2020

### REPORT TO COUNCIL

#### **SUBJECT**

Action on a Resolution of the City Council of the City of Santa Clara Authorizing City Staff to Deposit and Withdraw City Funds in the State's Local Agency Investment Fund

#### **COUNCIL PILLAR**

Deliver and Enhance High Quality Efficient Services and Infrastructure

#### **BACKGROUND**

The City of Santa Clara (City) has been a participant in the Local Agency Investment Fund (LAIF) since its inception in 1977. LAIF is a State investment pool administered by the Treasurer of the State of California in 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 ensure 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.

#### **DISCUSSION**

The City Council's authorizations with LAIF were last approved in 1977. An updated resolution is essential to update the authorized signer list for the account. The proposed resolution grants authority to the City's City Manager, City Auditor, Director of Finance, and Assistant Director of Finance, or their successors to initiate investment-related transactions with LAIF. These are the City staff currently responsible for managing cash flow and making LAIF investments or withdrawals.

#### **ENVIRONMENTAL REVIEW**

Not a project per 14 CCR §15378(b)(4) in that it is a government fiscal activity, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

#### **FISCAL IMPACT**

This action does not have any fiscal impact on budget, except for staff time.

**COORDINATION**

This report has been coordinated with the City Attorney's Office.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>>.

**RECOMMENDATION**

Adopt a resolution granting the authority to the City Manager, City Auditor, Director of Finance, and Assistant Director of Finance to invest and withdraw City funds in the State of California's Local Agency Investment Fund (LAIF).

Reviewed by: Kenn Lee, Director of Finance

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Resolution Authorizing City Staff to Deposit and Withdraw City Funds in the State's LAIF