

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Signatory Authority – Local Agency Investment Fund – City Account
DATE: October 7, 2003

Needs: For the City Council to consider adoption of a resolution modifying signatory authority on certain City accounts.

Facts:

1. The City currently maintains three accounts with the Local Agency Investment Fund (LAIF); one for the City, one for the Redevelopment Agency, and one for the Public Financing Authority.
2. LAIF is an investment pool managed by the State Treasurer's Office.
3. All public agencies are eligible to participate.
4. The authorizing resolutions currently on file with LAIF are outdated and need to include the new finance manager.

Analysis
and

Conclusion:

With the hiring of the new finance manager, Administrative Services identified a need to modify deposit and withdrawal authority with LAIF. The former accounting manager needs to be removed (has been done administratively) and the new finance manager needs to be added.

Authority to initiate transactions is limited to the City Manager, the Director of Administrative Services, the City Treasurer (who, at the moment is also the Director of Administrative Services), and the Finance Manager.

For purposes of background information, LAIF is an investment pool managed by the State Treasurer's Office. The City may deposit up to \$40 million in each account. The minimum transaction is \$5,000 and then even \$1,000 increments therefrom. Each account is limited to fifteen (15) transactions per month. LAIF yields tend to follow the market by sixty to ninety days. The current yield is 1.63%. LAIF is very liquid and is used as an extension of the City warrant account. The City may deposit monies on a Friday and withdrawal the same funds the following Monday and yet earn interest over

the weekend given interest is calculated on a daily basis. As of August 31, 2003, the City had \$40,800,000 on deposit with LAIF.

Fiscal
Impact:

None.

Options:

- a. Adopt Resolution No. 03-xx designating certain City officers to make deposits and withdrawals with LAIF; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY
INVESTMENT FUND AND DESIGNATING CERTAIN CITY OFFICIALS
TO MAKE DEPOSITS AND WITHDRAWALS

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of monies of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Council does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the City of El Paso de Robles.

NOW THEREFORE, BE IT RESOLVED, that the Council does hereby authorize the deposit and withdrawal of City of El Paso de Robles monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following City of El Paso de Robles officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

James L. App	City Manager
Michael J. Compton	Director of Administrative Services
Michael J. Compton	City Treasurer
Jennifer Sorenson	Finance Manager

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 7th day of October 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk