A G E N D A

CITY OF SEASIDE CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE	JOINT SPECIAL MEETING Council Chamber 440 Harcourt Avenue Thursday, August 2, 2018 5:30 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

Ralph Rubio	Mayor/Chair
Dennis Alexander	Mayor Pro Tem/Vice Chair
Jason Campbell	Council/Agency Member
David R. Pacheco	Council/Agency Member
Kayla Jones	Council/Agency Member

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. **CONSENT AGENDA**

A. **APPROVE MINUTES FROM JULY 19, 2018**

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

PURPOSE & RECOMMENDATION: It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of July 7, 2018 through July 20, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of July 19, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,825,561.14.

C. ACCEPT AND FILE THE CASH AND INVESTMENT REPORT FOR THE CITY OF SEASIDE AND THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE FOR THE QUARTER ENDING JUNE 30, 2018

PURPOSE & RECOMMENDATION: Accept and file the City of Seaside and the Successor Agency of the Redevelopment Agency of the City of Seaside Cash and Investment Report for the quarter ending June 30, 2018.

D. APPROVAL OF MINUTES AUGUST 2, 2018

PURPOSE & RECOMMENDATION: To review and approve the minutes as presented.

5. CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

PURPOSE & RECOMMENDATION: Property Location: Seaside Resort Development: 1 McClure Way Negotiator for the City: Craig Malin, City Manager. Under Negotiation: Instructions to negotiator will concern price, terms of payment or both.

B. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1)

1. City of Seaside vs. Samuel Gaskins
   Monterey County Case Number 18CV002113
2. Keep Fort Ord Wild vs. City of Seaside
   Monterey County Case Number 18CV002418

C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

Conference with legal counsel regarding significant exposure to litigation (two potential case).

6. ADJOURNMENT

Next Regularly Scheduled Meeting:
August 16, 2018
Seaside City Hall
5:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:
http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300
Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

DRAFT MINUTES

CITY OF SEASIDE	JOINT SPECIAL MEETING
CITY COUNCIL/ SUCCESSOR	COUNCIL CHAMBER
AGENCY TO THE	Thursday, July 19, 2018
REDEVELOPMENT AGENCY	5:30 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:30 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

2. **PLEDGE OF ALLEGIANCE**

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio
ABSENT: None

3. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public.

- Mitt Sawhney thanked Mr. Malin for encouraging a response from Seaside Creates staff. He also expressed concerns about the minutes of the previous meetings citing errors and suggested having someone scribe the minutes for meetings. He also requested more detail be available for the checks that are submitted for approval.

City Manager Malin agreed to look into having more financial transparency.

4. **CONSENT AGENDA**

Items C and D were pulled for discussion.

On motion by Council Member Jason Campbell and seconded by Mayor Pro Tem Dennis Alexander and passed by the following vote the City Council approved the Consent items A and B as presented.

RESULT:	**Approved**
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None

A. **APPROVE MINUTES FROM JULY 5, 2018 MEETING**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Approved

C. **RESOLUTION APPROVING A CONTRACT WITH MICHAEL BAKER INTERNATIONAL FOR HOUSING LOAN MONITORING SERVICES FOR 2018-2019 AND A RELATED BUDGET ADJUSTMENT**

Mayor Rubio invited comments from the Public.

- Mitt Sawhney questioned how many loans were previously provided and requested more detailed information than what was included in the packet.

Deputy City Manager Hodgson explained that the program is no longer issuing any loans and these are from previously issued loans. Approximately fifty loans were issued by the Redevelopment Agency that now belongs to the City and fifteen were funded with Community Development Block Grant funding. She further explained that some of the loans have resale restrictions to preserve affordable housing, some have water restrictions as well as other varying restrictions which makes the program difficult to manage. The intent is to obtain assistance to protect the City's affordable housing.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council/Successor Agency Board adopted Resolution 18-70 and 18-04 SA approving the contract with Michael Baker International.

RESULT:	**Approved**
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None

D. REVIEW AND ADOPT A RESOLUTION APPROVING THE 2018-2019 INVESTMENT POLICY FOR THE CITY OF SEASIDE AND THE CITY OF SEASIDE SUCCESSOR AGENCY

Mayor Rubio invited comments from the Public.

- Mitt Sawhney requested a detailed copy of what the policy is.

Staff responded that a detailed account was provided in the published staff report.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Kayla Jones and passed by the following vote the City Council/Successor Agency Board approved Resolution 18-71 and 18-04 SA adopting the 2018-19 Investment Policy.

RESULT:	**Approved**
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None

5. CLOSED SESSION

Mayor Rubio invited comment for the Closed Session items and had no requests to speak. The City Council adjourned to Closed Session at 5:40 PM.

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(2)

B. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(1)

6. ADJOURNMENT

The City Council reconvened at 6:30 and there were no announcements for the public. The meeting was adjourned at 6:30 PM.

Respectfully submitted,

____
Lesley Milton-Rerig, City Clerk

____
Ralph Rubio, Mayor/Chair

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.B.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services
Lori Merwin, Finance Assistant

DATE: August 2, 2018

SUBJECT: **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

PURPOSE & RECOMMENDATION

It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of July 7, 2018 through July 20, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of July 19, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is $1,825,561.14.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency Board meeting the Board is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the Agency Board for inspection and confirmation.

A description of the checks and wires exceeding $10,000.00 is as follows:

- $1,825,342.64 to U.S. Bank St. Paul for debt service payment for successor agency to the redevelopment agency of the City of Seaside tax allocation.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

ATTACHMENTS

None

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.C.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services
Robert Lettman, Accountant II

DATE: August 2, 2018

SUBJECT: **ACCEPT AND FILE THE CASH AND INVESTMENT REPORT FOR THE CITY OF SEASIDE AND THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE FOR THE QUARTER ENDING JUNE 30, 2018**

PURPOSE & RECOMMENDATION

Accept and file the City of Seaside and the Successor Agency of the Redevelopment Agency of the City of Seaside Cash and Investment Report for the quarter ending June 30, 2018.

BACKGROUND

Section 53646 of the California State Government code requires the fiscal officer to prepare a quarterly report detailing the City's and the Agency's cash and investments. The City of Seaside's and the Successor Agency's Investment Policy requires a quarterly report.

The June 30, 2018 report shows that approximately 85% of the portfolio is City of Seaside funds and 15% is Successor Agency Funds. 48% of the funds are invested the Local Agency Investment Fund with the State of California.

FISCAL IMPACT

No fiscal impact

ATTACHMENTS

1. EXHIBIT A
2. EXHIBIT B
3. EXHIBIT C

---

4. LAIF PROGRAM DESCRIPTION
5. LAIF PERFORMANCE REPORT 06-30-2018
6. LAIF HISTORICAL INTEREST RATES

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

ATTACHMENT A

CITY OF SEASIDE and THE SUCCESSOR AGENCY
SUMMARY OF POOLED CASH AND INVESTMENTS
AS OF JUNE 30, 2018

DESCRIPTION	INSTITUTION	VALUATION	AMOUNT
LAIF - City Funds	State Treasurer	Market	$ 12,800,263.66
General Checking	Rabobank	Market	$ 1,939,444.37
Money Market	Rabobank	Market	$ 8,671,342.27
PARS Retirement Account	US Bank	Market	$ 10,689.83
York Tail Claims	Bank of America	Market	$ 39,256.98
Bond 2014 Reserve account	US Bank	Market	$ 729,297.57
Bond 2006 Reserve & Installment accounts	US Bank	Market	$ 552,757.42
US Bank - PNC Equipment Lease Escrow Account	US Bank	Market	$ 1,868,739.32
Pension Obligation Bond Program Reserve account	Wells Fargo Bank	Market	$ 4,721.56
		Total	**$ 26,616,512.98**

I hereby certify that sufficient investment liquidity and anitcipated revenues are available to meet the City's and the Agency's aniticipated expenditure requirements for the next six months. (California Code Section 53646)

Investments in this report meet the requirements of the City of Seaside's and the Successor Agency's Investment Policy.

Respectfully submitted,

Craig Malin
City Manager

CITY OF SEASIDE and THE SUCCESSOR AGENCY

Exhibit B

CASH AND INVESTMENT REPORT - DETAIL AS OF JUNE 30, 2018

	Yield	Book Value	% of Total	Market Value
Investments				
State Treasurer LAIF - City Account	**1.16%**	**12,800,263.66**	**48.09%**	**12,800,263.66**
Checking Account				
Rabobank - General Checking	**0.00%**	**1,939,444.37**	**7.29%**	**1,939,444.37**
Rabobank - Money Market	**0.20%**	**8,671,342.27**	**32.58%**	**8,671,342.27**
PARS Retirement Account	**1.39%**	**10,689.83**	**0.04%**	**10,689.83**
Bank of America-York Checking	**0.00%**	**39,256.98**	**0.15%**	**39,256.98**
US Bank - Redevelopment Agency Merged Area Refunding 2014 Bonds				
Installment Payment, Reserve	**0.00%**	**729,297.57**	**2.74%**	**729,297.57**
US Bank - Golf Course 2006 Bonds				
Installment Payment, Reserve	**0.20%**	**552,757.42**	**2.08%**	**552,757.42**
US Bank - PNC Equipment Lease Escrow Account	**0.20%**	**1,868,739.32**	**7.02%**	**1,868,739.32**
Wells Fargo Bank				
Pension Obligation Bond Program Reserve Account	**0.83%**	**4,721.56**	**0.02%**	**4,721.56**
Total Cash and Investments		**26,616,512.98**	**100.00%**	**26,616,512.98**

CITY OF SEASIDE and THE SUCCESSOR AGENCY
CASH AND INVESTMENT ACTIVITY REPORT FOR THE PERIOD
APRIL 1, 2018 THROUGH JUNE 30, 2018

INSTITUTION	ACCOUNT STATUS		BEGINNING BALANCE	DEPOSITED	EXPENDED or TRANSFERRED	INTEREST EARNED		ENDING BALANCE
INVESTMENTS								
LAIF - City	OPEN	$	12,753,305.79			46,957.87	$	12,800,263.66
CHECKING ACCOUNT								
Rabobank - General Checking	OPEN	$	1,200,663.09	20,112,743.76	19,373,962.48		$	1,939,444.37
Rabobank - Payroll Checking	OPEN	$	-	5,041,936.32	5,041,936.32		$	-
Rabobank, Money Market	OPEN	$	4,118,072.52	8,250,000.00	3,700,000.00	3,269.75	$	8,671,342.27
PARS Retirement Account	OPEN	$	7,391.44	12,400.00	9,133.47	31.86	$	10,689.83
York Tail Claims	OPEN	$	39,681.36	18,180.82	18,605.20	-	$	39,256.98
BOND RESERVE ACCOUNT - HELD BY TRUSTEES								
Bond 2014 Accounts - Reserve, Interest	OPEN	$	729,297.47	-	-	0.10	$	729,297.57
Bond 2006 Accounts - Reserve, Installment	OPEN	$	340,073.79	212,417.27	-	266.36	$	552,757.42
PNC Equipment Lease Escrow Account	OPEN	$	2,016,033.12	5,111.52	153,619.34	1,214.02	$	1,868,739.32
Wells F Pension Obligation Bond Prog-Reserve Acct.	OPEN	$	551,106.62	552,192.71	1,100,208.78	1,631.01	$	4,721.56
		$	**21,755,625.20**	**34,204,982.40**	**29,397,465.59**	**53,370.97**	**$**	**26,616,512.98**

Overview of the Investment Division

Mission, Purpose and History

The mission of the Investment Division is to prudently manage the Pooled Money Investment Account (PMIA) Portfolio, the Time Deposit Program (TDP), and the Local Agency Investment Fund (LAIF) Program under the statutory authority granted by state law and consistent with the investment objectives of Safety, Liquidity, and Yield.

The State Treasurer invests taxpayer's money safely, while minimizing service costs and maximizing investment yields. The investments help manage cash flow and enhance local governments' financial security. These duties are carried out through the PMIA.

The LAIF program allows cities, counties and special districts to place money in a major portfolio at no additional costs to taxpayers, using the expertise of the Investment Division staff. Participating agencies can withdraw their funds from LAIF at any time.

Under the TDP, the PMIA deposits money with community banks at competitive rates. Eligible institutions are commercial banks, savings banks and credit unions that are federally insured and licensed to accept deposits in the State of California. Banks which receive time deposit funds can use the money to expand economic opportunities and create jobs in the communities they serve.

The Investment Division staff invests PMIA funds in a wide range of securities, using more than 75 brokers, dealers, banks and direct issuers. The PMIA is governed by the Pooled Money Investment Board (PMIB) created by the Legislature in 1955, while LAIF, created in 1977, receives oversight and guidance from the Local Investment Advisory Board (LIAB). The State Treasurer chairs both the PMIB and LIAB.

Investment Division Goals

Goal 1: Continuously monitor the credit quality of a diversified list of approved issuers of eligible securities, provide for the liquidity needs of PMIA participants, while obtaining a competitive yield from our investments.

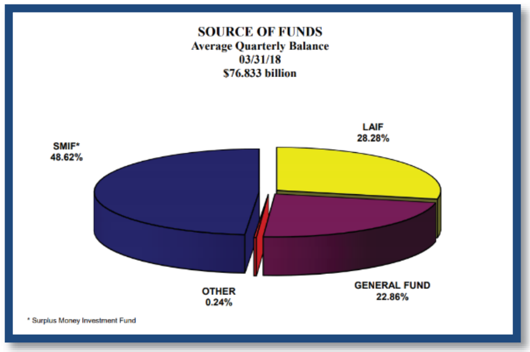
Goal 2: Maintain a highly skilled, knowledgeable, and resourceful staff that is fully cross-trained to increase operational flexibility, to ensure organizational continuity, and to ensure the Division's ability to respond to new or unexpected market changes.

Goal 3: Utilize technological innovations to enable staff to more efficiently manage their workload and to provide new and useful services to our local government partners.

Goal 4: Increase training opportunities and other efforts to prepare for generational change in staffing and management.

Division Programs

Pooled Money Investment Account (PMIA)



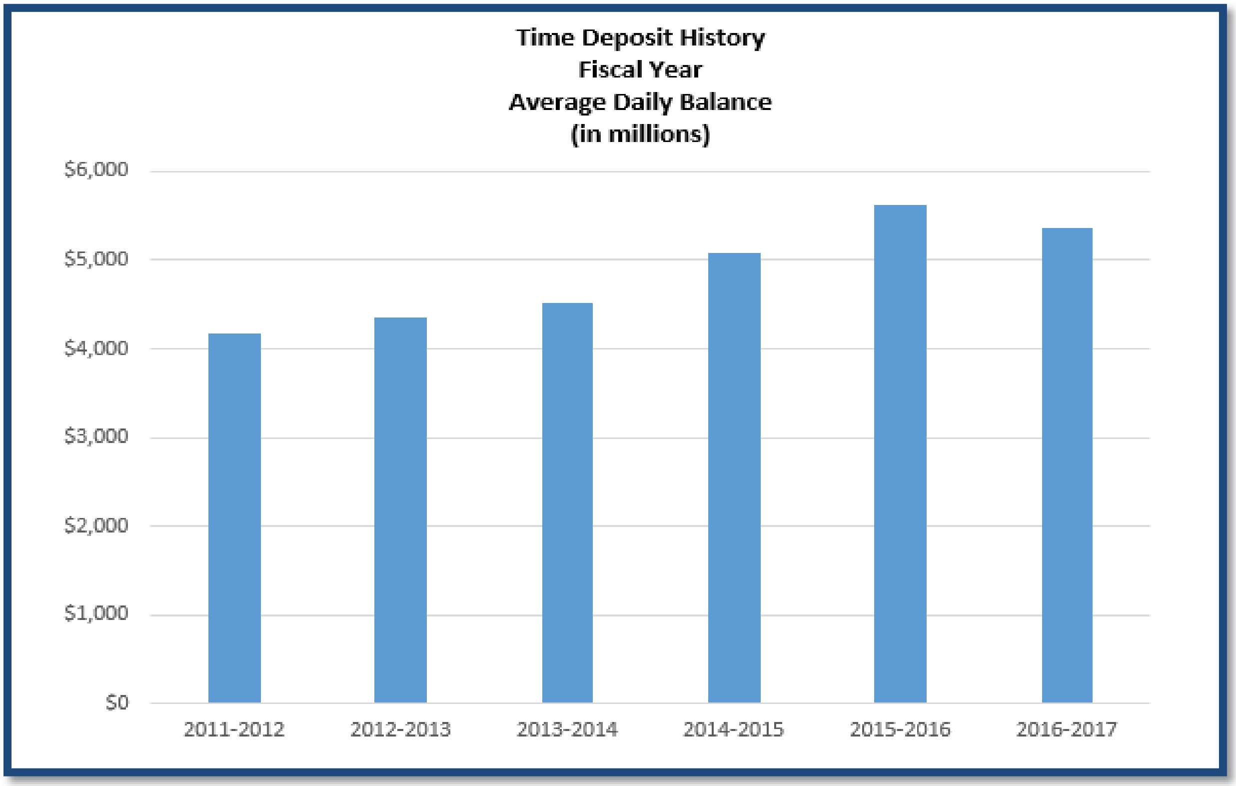
The Investment Division is responsible for managing the PMIA Portfolio. The State Treasurer, through the Investment Division, invests state and local agency money deposited in the PMIA consistent with prudent management, while it minimizes service costs and maximizes investment returns. The PMIA consists of the Surplus Money Investment Fund (SMIF), LAIF, and the General Fund. The Investment Division is responsible for the administration of the PMIA investment program on a day-to-day basis. The Centralized Treasury and Securities Management Division (CTSMD) determines the amounts available for investment while maintaining the approved compensating balance position. Therefore, there is continual adjustment of the estimates for receipts and disbursements to reflect current and available information. Subsequently, the Investment Division purchases authorized securities in accordance with the market conditions to ensure the State's daily cash needs are met. The Investment Division also acts as the agent for purchase or sale of securities on behalf of various state agencies and programs and provides support to the State Treasurer for his investment-related Board responsibilities on the California Public Employee's Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS).

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio, included on page 12 of this document, to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by the Investment Division staff and reviewed by both the PMIB and the LIAB.

Time Deposit Program (TDP)

The TDP was created in 1945 under Government Code Section 16500 et seq. (see Appendix C). The program allows the State Treasurer to place deposits with eligible California financial institutions. The program assures a yield to the PMIA above the Treasury Bill yield and makes money available to community banks at generally better rates than they can get from other sources. All time deposits are fully collateralized. Eligible institutions include federally-insured commercial banks, savings banks and credit unions authorized to accept deposits in the State of California. Participants also must have a Community Reinvestment Act rating of not less than satisfactory. This rating is based on the institution's lending and investment practices and the services it offers to the community. The lending evaluation examines the institution's activities with respect to home mortgage loans, as well as loans for small businesses, small farms, and community development, including affordable housing and not-for-profit organizations that meet low-to-moderate income housing needs.

The State Treasurer places a high priority on community investment. Every effort is made to ensure access to the TDP for institutions that rely more on public and private deposits to lend and invest within their neighborhoods. By accessing funds through the TDP, financial institutions can re-invest in the California communities they serve.



The Local Agency Investment Fund

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts and continues today under Treasurer John Chiang's administration (see Appendix A). 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, using the investment expertise of the State Treasurer's Office investment staff. This in-house management team is comprised of civil servants who have worked for the State Treasurer's Office for decades.

The LAIF is approximately 28% of the PMIA. The PMIA began in 1953 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members. The chairman is the State Treasurer or his/her designated representative. Two members who are qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state, are appointed by the State Treasurer. The term of each appointment is two years or at the pleasure of the appointing authority.

All securities purchased for the PMIA are authorized under Government Code Sections 16430 and 16480.4 (see Appendix B). The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by investment staff and reviewed by both the PMIB and the LIAB on an annual basis.

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 the LAIF program. A history of administrative costs can be found at www.treasurer.ca.gov/pmia-laif/historical/admin_costs.asp.

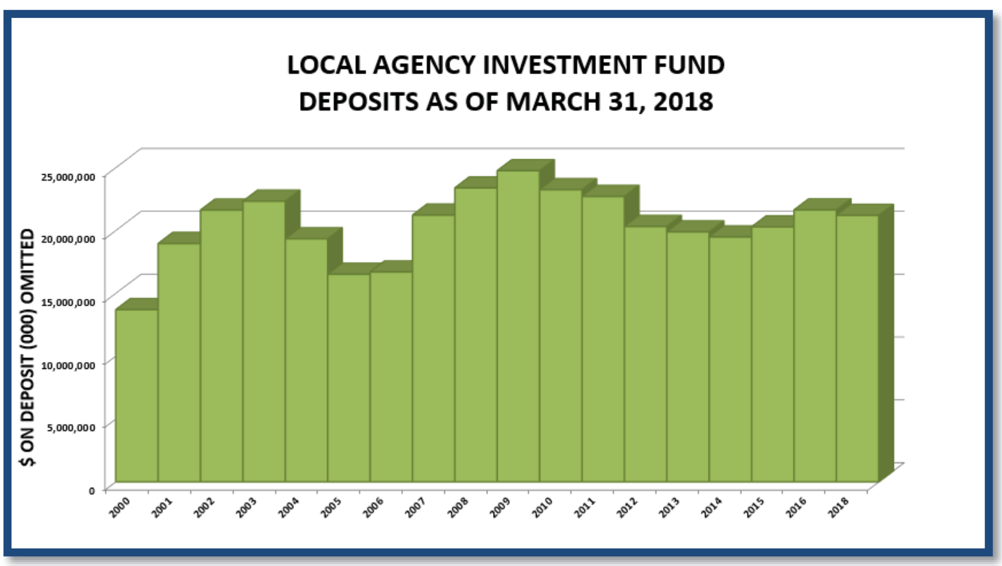
Interest is calculated on a dollar-day basis to guarantee equitable distribution among all member funds and is paid quarterly.

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting audit report is posted to the State Treasurer's Office website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investment and LAIF claims are audited on a daily basis by the State Controller's Office as well as through an in-house audit process.

Moneys deposited in LAIF are afforded certain statutory protection. Government Code Section 16429.3 states that "moneys placed with the Treasurer for deposit in the Local Agency Investment Fund by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During the 2002 legislative session, Government Code Section 16429.4 was added to provide further protection. This section states that "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the Local Agency Investment Fund, upon demand, may not be altered, impaired, or denied, in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

The LAIF has grown from 293 participants and $468 million in 1977 to 2,426 participants and $21.2 billion as of March 31, 2018.



Board Members

Local Investment Advisory Board

Chairman:

JOHN CHIANG, State Treasurer

Members:

MARTIN KRIEGER
Finance Director
Desert Water Agency

BETH RENGE
President
Frontline Financial Group, LLC

DOUGLAS C. ROBINSON
Principal
RCM Robinson Capital Management, LLC

LAURA PARISI
City Treasurer
City of Laguna Beach

http://www.treasurer.ca.gov/pmia-laif/liab-members.asp

Pooled Money Investment Board

Chairman:

JOHN CHIANG, State Treasurer

Members:

BETTY T. YEE
State Controller

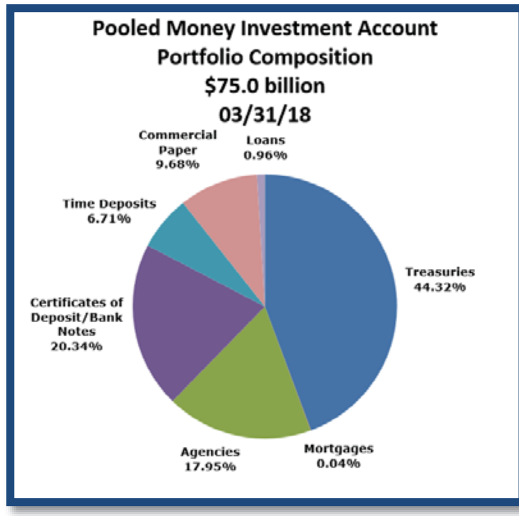
MICHAEL COHEN
Director of Finance

Safety, Liquidity and Yield

LAIF provides local agencies a way to invest cash held in the treasury pool that may be withdrawn as needed on a same-day basis to meet an agency's cash flow needs, while realizing interest generated by the PMIA. The Investment Division places the goals of Safety, Liquidity, and Yield above all others, and in this order. These goals are stated in the Investment Policy, which can be found on page 12.

Safety

Due to the portfolio's characteristics, credit risk is minimal. The pool is managed to ensure the safety of the portfolio by investing in high quality securities and by maintaining a mix of securities that provide reasonable assurance that no single investment or class of investments will have a disproportionate impact on the total portfolio. Additionally, LAIF funds are protected by statute and are not borrowable.



Furthermore, LAIF funds are not affected by a budget impasse. (Government Code Section 16429.4) The Court of Appeal issued a decision on the *Jarvis Taxpayers Association v. Connell* case on May 29, 2002, where the court held that the Controller may disburse funds during a budget impasse when the state and federal law properly authorize or require their payment, despite the absence of a budget act or emergency appropriation.

Liquidity

The pool is managed to ensure that normal cash needs, as well as unscheduled cash needs, can be met. Adequate liquidity shall be maintained to ensure the unforeseen cash needs, whether ordinary or extraordinary. The pool will maintain a "cash flow generated" portfolio balance sufficient to cover the one-month prepared cash forecast, as well as the six-month prepared cash forecast. Further, sufficient marketable treasuries will be maintained to cover unforeseen withdrawals or delayed deposits. The following chart demonstrates the liquidity of the PMIA.

Pooled Money Investment Account

Portfolio as of 03-31-18

PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	$ 1,300	$ 1,500	$ 1,900	$ 1,600	$ 3,350	$ 2,700	$ 1,550	$ 3,000	$ 7,650	$ 8,300	$ 600		
REPO													
TDs	$ 1,754	$ 1,211	$ 1,345	$ 313	$ 197	$ 213							
AGENCY	$ 3,417	$ 1,850	$ 3,075	$ 1,350	$ 700	$ 800	$ 1,025	$ 527	$ 75	$ 1,216	$ 605		
CP	$ 2,350	$ 2,250	$ 1,450	$ 450	$ 600	$ 100	$ 100						
CDs + BNs	$ 2,800	$ 4,100	$ 3,975	$ 1,150	$ 900	$ 200	$ 1,200	$ 100	$ 750	$ 75			
CORP BND													
TOTAL $ 75,672	$ 11,621	$ 10,911	$ 11,745	$ 4,863	$ 5,747	$ 4,013	$ 3,875	$ 3,627	$ 8,475	$ 9,591	$ 1,205	$ -	$ -
PERCENT	15.4%	14.4%	15.5%	6.4%	7.6%	5.3%	5.1%	4.8%	11.2%	12.7%	1.6%	0.0%	0.0%

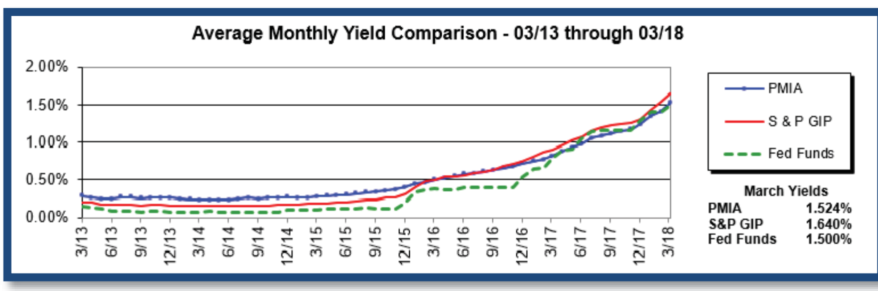
Notes:
1. SBA Floating Rate Securities are represented at coupon change date.
2. Mortgages are represented at current book value.
3. Figures are rounded to the nearest million.
4. Does not include AB55 and General Fund loans.

Yield

PMIA investments and deposits are made in such a way as to realize the maximum return consistent with safe and prudent treasury management. The rate of return is maintained on a consistent level representative of current market yield direction.

Sales gains and losses will not be incurred as to radically alter the final quarterly apportionment rate. Significant sales gains will be offset for restructuring purposes to maintain consistent current return as well as to maximize future portfolio performance. Significant sales losses shall be incurred only by consent of the Treasurer, or when sufficient profits negate the alteration of the apportionment rate.

The chart below illustrates the PMIA yield compared to the Fed Funds rate and other local government investment pools.



All of the PMIA goals, objectives and policies are observed by the Director of Investments or his/her designee, monitored by the Treasurer's Investment Committee, and reviewed continually by the Treasurer or his/her designee.

JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
06/13/18	1.83	1.73	184
06/14/18	1.85	1.73	184
06/15/18	1.86	1.73	184
06/16/18	1.86	1.73	184
06/17/18	1.86	1.74	184
06/18/18	1.86	1.74	181
06/19/18	1.87	1.74	179
06/20/18	1.87	1.74	178
06/21/18	1.89	1.74	183
06/22/18	1.89	1.75	186
06/23/18	1.89	1.75	186
06/24/18	1.89	1.75	186
06/25/18	1.89	1.75	184
06/26/18	1.89	1.75	183
06/27/18	1.90	1.75	181
06/28/18	1.90	1.76	183
06/29/18	1.92	1.76	194
06/30/18	1.92	1.76	193
07/01/18	1.92	1.92	193
07/02/18	1.93	1.92	196
07/03/18	1.93	1.92	195
07/04/18	1.93	1.92	195
07/05/18	1.93	1.93	194
07/06/18	1.93	1.93	193
07/07/18	1.93	1.93	193
07/08/18	1.93	1.93	193
07/09/18	1.93	1.93	191
07/10/18	1.93	1.93	192
07/11/18	1.93	1.93	191
07/12/18	1.94	1.93	189
07/13/18	1.94	1.93	190

*Daily yield does not reflect capital gains or losses

View Prior Month Daily Rates

LAIF Performance Report

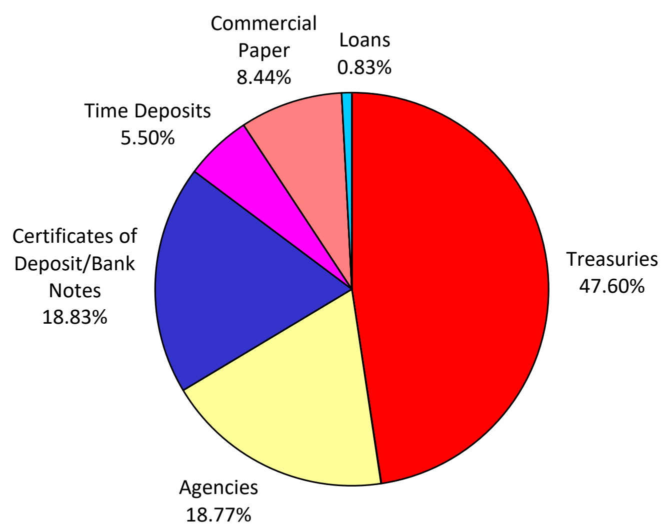
Quarter Ending 06/30/18

Apportionment Rate:	1.90%
Earnings Ratio:	0.00005216919081336
Fair Value Factor:	0.998126869
Daily:	1.92%
Quarter to Date:	1.76%
Average Life:	193

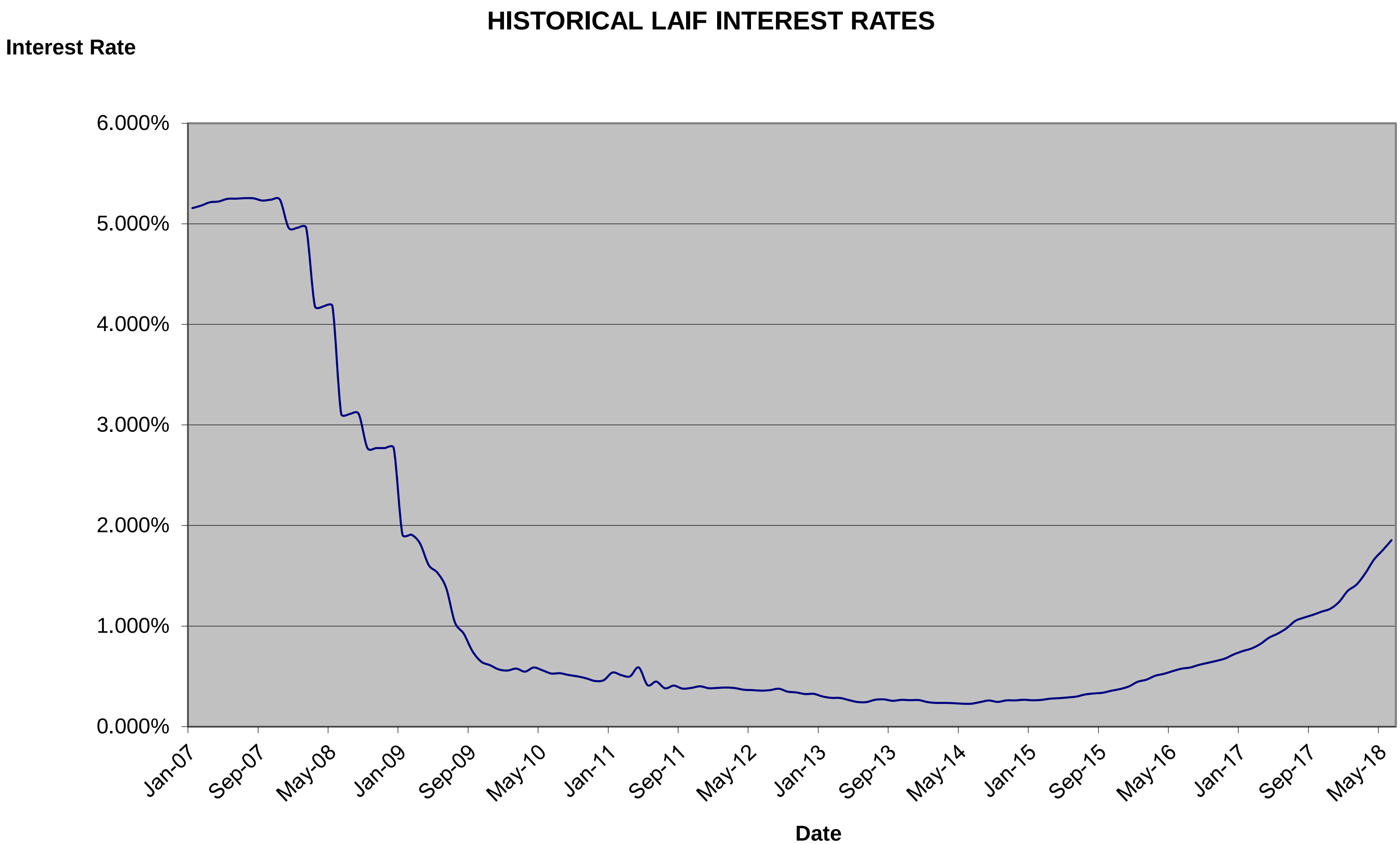
PMIA Average Monthly Effective Yields

June 2018	**1.854**
May 2018	1.755
Apr 2018	1.661

Pooled Money Investment Account Portfolio Composition 06/30/18 $88.8 billion



Based on data available as of 7/13/2018


HISTORICAL LAIF INTEREST RATES
Interest Rate
6.000%
5.000%
4.000%
3.000%
2.000%
1.000%
0.000%
Jan-07
Sep-07
May-08
Jan-09
Sep-09
May-10
Jan-11
Sep-11
May-12
Jan-13
Sep-13
May-14
Jan-15
Sep-15
May-16
Jan-17
Sep-17
May-18
Date

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.D.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY:

DATE: August 2, 2018

SUBJECT: **APPROVAL OF MINUTES AUGUST 2, 2018**

PURPOSE & RECOMMENDATION

To review and approve the minutes as presented.

BACKGROUND

FISCAL IMPACT

ATTACHMENTS

None

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager