



DATE SUBMITTED March 8, 2023
 SUBMITTED BY Finance
 DATE ACTION REQUIRED March 15, 2023

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION (X)
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS ab

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT:	DISCUSSION/ACTION:		
	1. Adopt resolution authorizing deposit and withdrawal from the Local Agency Investment Fund in accordance with California Government Code Section 16429.1 .		
	DEPARTMENT INVOLVED: Finance		
	BACKGROUND/SUMMARY:	See attached staff report from Interim Finance Director John Herrera.	
	FISCAL IMPACT: Anticipate increased return on City investments.	FINANCE INITIALS	<u>  </u>
	STAFF RECOMMENDATION: Approve resolution	DEPT. INITIALS	<u> </u>
	MANAGER'S RECOMMENDATION: Approve staff recommendation	CITY MANAGER'S INITIALS	<u>  </u>
	MOTION:		
SECONDED:	APPROVED ()	REJECTED ()	
AYES:	DISAPPROVED ()	DEFERRED ()	
NAYES:			
ABSENT:	REFERRED TO:		



Staff Report

Agenda Item No.

To: City of Imperial City Council

From: John Herrera, Interim Finance Director / City Treasurer

Date: March 15, 2023

Subject: Approval of Resolution to Update Authorized Signers at Local Agency Investment Fund (LAIF) to Allow the New City Treasurer to Process Transactions at LAIF

Summary:

There is a need to update the list of authorized signers at LAIF to allow the City Treasurer, or designee, to immediately proceed with the prudent investment of cash balances to maximize interest earnings.

The last time the City Treasurer performed any investment trades at LAIF, on behalf of the City of Imperial, was November 6, 2006. There has been no investment activity at LAIF on behalf of the City since that time.

With the current rising interest rate environment, the new City Treasurer will actively monitor cash balances and make investment trades as soon as authorized by resolution.

Background/Discussion and Analysis

The City of Imperial maintains an investment account at LAIF (account number 98-13-382), with a current available balance of \$6,560,290.83 as shown in the attached statement. LAIF investments are completely liquid, and the City is currently earning 2.796% on these cash balances.

US Treasury investments, which are the safest investments available, are now paying above 5%, for the 24-month maturity. Staff will not go beyond the 24-month maturity, at this time, due to the "inverted yield curve", which results in lower investment yields with longer maturities.

Staff will explain investments, yields, and maturities when staff brings back an updated investment policy for City Council approval.

Thus, staff will be moving cash balances into these higher-yielding investments, which is facilitated now that staff has a better understanding of the accounting, and the capital project and operating budget needs of the City.

Investments at LAIF are authorized under the City's existing investment policy.

Staff is working on an updated investment policy and strategy, to maximize investment "yields", while preserving "liquidity" needs, and most importantly, "safety" of capital and principal balances.

Recommendation

Staff recommends approval of Resolution #2023-xx to authorize new signers at LAIF.

Respectfully Submitted,



John Herrera, CPA
Interim Finance Director / City Treasurer

Attachments:

- Resolution Authorizing Investment of Monies in LAIF and Updating Authorized Signers
- LAIF Statement as of February 2023

**OFFICE OF THE TREASURER
SACRAMENTO**

Local Agency Investment Fund
PO Box 942809
Sacramento, CA 94209-0001
(916) 653-3001
www.treasurer.ca.gov/pmia-laif/laif.asp
February, 2023 Statement



CITY OF IMPERIAL
Attn: TREASURER
420 S. IMPERIAL AVENUE
IMPERIAL CA 92251

Transactions

<u>Effective Date</u>	<u>Transaction Date</u>	<u>Tran Type</u>	<u>Confirm Number</u>	<u>Web Confirm Number</u>	<u>Authorized Caller</u>	<u>Amount</u>
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Account Summary

Total Deposit:	0.00	Beginning Balance:	6,560,290.83
Total Withdrawal:	0.00	Ending Balance:	6,560,290.83

RESOLUTION 2023-08

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL
AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY
INVESTMENT FUND**


WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interest of the City of Imperial.

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby authorizes the deposit and withdrawal of City monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:


Section 1. The following City of Imperial offices holding the title(s) specified hereinbelow **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:



Dennis Morita
City Manager



Alexis Brown
Assistant City Manager



John Herrera
Finance Director

Section 2. This resolution shall remain in full force and effect until rescinded by City Council by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

APPROVED, PASSED AND ADOPTED at a Regular Meeting of the City Council held on the 15th day of March, 2023.

Katherine Burnworth, Mayor

ATTEST:

Kristina Shields, City Clerk