



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt Resolutions of the Milpitas City Council and Milpitas Public Financing Authority Board Authorizing Investment of Monies in the Local Agency Investment Fund and Updating Officers' Information
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	8/20/2019
Staff Contact:	Walter C. Rossmann 408 586-3111
Recommendation:	Adopt Resolutions of the Milpitas City Council and Milpitas Public Financing Authority Board authorizing investment of monies in the Local Agency Investment Fund and updating officers' information.

Background:

The City of Milpitas and the Milpitas Public Financing Authority (PFA) have been participating in the State's Local Agency Investment Fund (LAIF) since 1977. LAIF periodically requests participants to update their investment resolutions. Staff reviewed the existing resolutions of the two entities and determined that these resolutions need to be updated due to administration and personnel changes. By updating the resolutions and completing the LAIF authorization form all prior authorizations on file with LAIF for transfer of funds will be replaced and superseded.

Analysis:

The City of Milpitas, like virtually all California municipalities, invests its short-term cash in the State of California's investment pool. LAIF is a very safe investment pool that is completely separate from the State of California, which is for local governments only and not impacted by the State budget. It is also completely separate from the State pension funds. The City has two LAIF accounts, one for the City, and the second, under the title of the Milpitas Public Financing Authority.

Periodically it is necessary to update the signatories with LAIF. This occurs when there is either a change of staffing or a change of members of the Council. The Mayor and Vice Mayor have last been granted signature authority which is used rarely and only if needed, on March 5, 2019 with Council adoption of City Resolution Nr. 8805 and PFA Resolution Number 24. Additionally, the Assistant City Manager has been granted signature authority per the same resolutions. For the recommended resolutions, the Mayor, Vice-Mayor and Assistant City Manager's previous authorizations are included for re-authorization in accordance with LAIF instructions as well as staff signatories for the Interim City Manager and the Finance Director.

Policy Alternatives:

Alternative 1: Not approve the resolution to update the City and the Public Finance Authority's authorization card and be out of compliance.

Pros: None

Cons: Negative impact on the City's external audit of Financials. Possible misuse of accounts by former employees. Additionally, not approving the resolutions the new staff members will not have authority.

Reasons not recommended: Not updating City and the Public Finance Authority's authorization card could lead to misuse by former employees. Additionally, not approving the resolutions the new staff members will not have authority.

Fiscal Impact:

There is no fiscal impact to change authorized persons.

Recommendation:

Adopt Resolutions of the Milpitas City Council and Milpitas Public Financing Authority Board authorizing investment of monies in the Local Agency Investment Fund and updating officers' information

Attachment(s):

City Council Resolution
Public Financing Authority Resolution