



City of Huntington Beach

File #: 20-1830

MEETING DATE: 9/8/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Alisa Backstrom, City Treasurer

Subject:

Adopt Resolution No. 2020-55 authorizing the City Treasurer Alisa Backstrom and her successors in office, Deputy City Treasurer (Joyce M. Zacks) and his/her successors in office, Chief Financial Officer (Dahle Bulosan) and his/her successors in office, and Assistant Chief Financial Officer (Sunny Rief) and his/her successors, in office to make deposits and withdrawals on behalf of the City

Statement of Issue:

Should the City Council adopt Resolution No. 2020-55 authorizing the City Treasurer, Alisa Backstrom and her successors in office, Deputy City Treasurer (Joyce M. Zacks) and his/her successors in office, Chief Financial Officer (Dahle Bulosan) and his/her successors in office, and Assistant Chief Financial Officer (Sunny Rief) and his/her successors in office, to order deposits or withdrawals of money in the Local Agency Investment Fund (LAIF) on behalf of the City.

Financial Impact:

Not applicable.

Recommended Action:

Adopt Resolution No. 2020-55, "A Resolution of the City Council of the City of Huntington Beach, Authorizing Investment of Monies in the Local Agency Investment Fund;" City Treasurer Alisa Backstrom and her successors in office, Deputy City Treasurer (Joyce M. Zacks) and his/her successors in office, Chief Financial Officer (Dahle Bulosan) and his/her successors in office, and Assistant Chief Financial Officer (Sunny Rief) and his/her successors in office.

Alternative Action(s):

Do not approve and direct staff as applicable.

Analysis:

The State of California's Treasurer's office has requested an updated resolution from the City.

The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts. The enabling

legislation for the LAIF is Government Code Section 16429.1,2,3,4 of the California Government Code that authorizes local governments to invest in LAIF. It has been determined that the State of California cannot declare bankruptcy under Federal regulations, thereby allowing the Government Code Section 16429.3 to stand. This Section states, “money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State agency.”

During the 2002 session, California Government Code 16429.4 was added to the LAIF’s enabling legislation. The Section states, “the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency, to withdraw its deposited money from the LAIF 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.”

In addition, the City’s investment policy, which is annually reviewed and accepted by City Council, also authorizes the City to invest in LAIF under Section 10.0 Authorized and Suitable Investments.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Resolution No. 2020-55, “A Resolution of the City Council of the City of Huntington Beach Authorizing Investment of Monies in the Local Agency Investment Fund”
2. Government Code Section 16429-1 through 16429.4
3. City of Huntington Beach 2020 Investment Policy