



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL AND  
SUCCESSOR AGENCY TO  
THE REDEVELOPMENT  
AGENCY BOARD

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** February 14, 2012

Approved

Date

2/15/12

**SUBJECT: ADOPTION OF RESOLUTIONS AUTHORIZING OFFICERS OF THE CITY OF SAN JOSE AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE TO INVEST MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

## RECOMMENDATION

- (a) Adopt a resolution of the City Council of the City of San José (the “City”) authorizing the Director of Finance and other authorized officers of the City, who routinely conduct investment management activity on behalf of the City, to order the deposit or withdrawal of monies in the Local Agency Investment Fund on behalf of the City.
- (b) Adopt a resolution of the City Council acting in its capacity as Successor Agency to the Redevelopment Agency of the City of San José (the “Successor Agency”) authorizing the Chief Financial Officer of the Successor Agency and the Director of Finance and other authorized officers of the City, as Successor Agency, who routinely conduct investment management activity on behalf of the Successor Agency, to order the deposit or withdrawal of monies in the Local Agency Investment Fund on behalf of the Successor Agency.

## OUTCOME

Allowing funds to be deposited or withdrawn from the Local Agency Investment Fund (“LAIF”) as needed to meet liquidity needs of the City and the Successor Agency.

**BACKGROUND**

The State of California, through the State Treasurer’s Office, manages a state-wide investment pool called the Local Agency Investment Fund that allows local agencies to invest governmental funds through an investment account structure (a “LAIF Account”). Due to economies of scale, local agencies are able to benefit from the higher yield the pool receives as compared to separate smaller investment accounts. The City currently includes LAIF Accounts as authorized investments in its Investment Policy.

Both the City and the former Redevelopment Agency of the City of San José (the “Redevelopment Agency”) currently hold separate accounts with LAIF. These accounts are either operating accounts or bond proceeds accounts. While bond accounts have no restrictions on the amounts allowed on deposit, each operating account is restricted to balances of up to \$50 million and is allowed 15 transactions per month (deposits and withdrawals).

LAIF requires the governing board of the investing authority to adopt a resolution designating the officers (by title) authorized to deposit and withdraw monies invested in LAIF. Actual names, titles and signatures must also be sent to LAIF on a separate Authorization Change Form. This form resembles the signature cards commonly used by banks and other financial institutions.

With the Redevelopment Agency’s dissolution on February 1, 2012, its accounts held with LAIF have been frozen until such time that the Successor Agency can provide a resolution to LAIF indicating authorized officers on behalf of the Successor Agency. While no activity is allowed on these accounts, they are continuing to earn interest until the successor accounts have been established.

**ANALYSIS**

Under the City’s Investment Policy, LAIF is a permissible investment vehicle. LAIF has been and continues to be a prudent and attractive investment option for the City’s and the Successor Agency’s surplus funds and bond proceeds and the resolutions are necessary to keep the LAIF accounts current. The authorized titles, and the names of the officers currently holding these titles, for the purpose of depositing and withdrawing funds invested in LAIF accounts are:

**City LAIF Accounts**

Director of Finance	Julia H. Cooper (Acting) or successor
Assistant Director of Finance	Arn Andrews (Acting) or successor
Division Manager, Treasury	Maria Öberg (Acting) or successor
Debt Administrator	Peter Detlefs (Acting) or successor
Financial Analyst	Udaya Rajbhandari or successor
Financial Analyst	David Zolezzi or successor
Financial Analyst	Bonnie Hamilton or successor
Senior Account Clerk	Uyen Le or successor

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**Successor Agency LAIF Accounts**

Director of Finance	Julia H. Cooper (Acting) or successor
Chief Financial Officer of the Successor Agency	Abe Andrade or successor
Assistant Director of Finance	Arn Andrews (Acting) or successor
Division Manager, Treasury	Maria Öberg (Acting) or successor
Debt Administrator	Peter Detlefs (Acting) or successor
Financial Analyst	Udaya Rajbhandari or successor
Financial Analyst	David Zolezzi or successor
Financial Analyst	Bonnie Hamilton or successor
Senior Account Clerk	Uyen Le or successor

**PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The proposed council action does not meet any of the above criteria; however this memorandum will be posted on the City Council's Agenda website prior to the Council meeting.

**COORDINATION**

This staff report has been prepared by the Finance Department in coordination with the City Attorney's Office.

**CEQA**

Not a project, PP10-069, City organizational and administrative activities.

/s/  
JULIA H. COOPER  
Acting Director of Finance

For additional information, please contact Maria Öberg, Acting Division Manager, Treasury at (408) 535-7045.