

CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY



Chair Cory C. Moss
Vice Chair Cathy Marcucci
Board Member Abraham Cruz
Board Member Mark D. Radecki
Board Member Newell Ruggles

SPECIAL MEETING AGENDA AUGUST 22, 2019 AT 8:30 A.M.

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

Addressing the City Council/Agency/Commission/Authority:

Agenda Items: Members of the public may address the City Authority on any matter listed on the Agenda. Anyone wishing to speak is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard.

Public Comments (Agenda Items Only): During public comments, if you wish to address the Authority during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Authority concerning any item that has been described in the notice for the Special Meeting.

Americans with Disabilities Act:

In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Friday 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333- 2211.

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comment

5. **BOARD MATTERS**

5.1 Consideration of the minutes of the June 11, 2019 joint special meeting

RECOMMENDED ACTION: Approve as submitted.

5.2 Consideration of the Statement of Investment Policy

RECOMMENDED ACTION: Approve as submitted.

6. Adjournment.

PUBLIC FACILITIES AUTHORITY

ITEM NO. 5.1

JOINT SPECIAL MEETING MINUTES OF THE
CITY OF INDUSTRY CITY COUNCIL, SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY, INDUSTRY PUBLIC UTILITIES
COMMISSION, AND INDUSTRY PUBLIC FACILITIES AUTHORITY

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CALL TO ORDER

The Joint Special Meeting of the City Council, Successor Agency to the Industry Urban-Development Agency, Industry Public Utilities Commission, and Industry Public Facilities Authority of the City of Industry, California, was called to order by Mayor/Chairman/President Radecki at 4:00 p.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Mayor/Chairman/President Radecki.

ROLL CALL

PRESENT: Mark Radecki, Mayor/Chairman/President
Cory Moss, Mayor Pro Tem/Vice Chair/Commissioner
Abraham N. Cruz, Council Member/Board Member/Commissioner
Catherine Marcucci, Council Member/Board Member/Commissioner
Newell W. Ruggles, Council Member/Board Member/Commissioner

STAFF PRESENT: Troy Helling, City Manager; Bing Hyun, Assistant City Manager; Jamie M. Casso, City Attorney; Joshua Nelson, Contract City Engineer; and Julie Robles, Deputy City Clerk.

PUBLIC COMMENTS

There were none.

OATH OF OFFICE/REORGANIZATION

5.1 ADMINISTRATION OF OATH OF OFFICE

Deputy City Clerk Julie Robles administered the Oath of Office to the three re-appointed Council Members, Cory Moss, Mark Radecki, and Newell Ruggles.

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5.2 REORGANIZATION OF CITY COUNCIL

RECOMMENDED ACTION: Consider nominations and make appointments for Mayor and Mayor Pro Tempore.

Deputy City Clerk Julie Robles opened the floor for nominations for the position of Mayor. Mayor/Chairman/President/ Radecki nominated Cory Moss as Mayor.

MOTION BY MAYOR/CHAIRMAN/PRESIDENT RADECKI, AND SECOND BY COUNCIL MEMBER/BOARD MEMBER/COMMISSIONER MARCUCCI, TO NOMINATE AND APPOINT CORY MOSS AS THE NEW MAYOR/CHAIRMAN/PRESIDENT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL/BOARD MEMBERS: CRUZ, MARCUCCI, RUGGLES, MOSS,
RADECKI

NOES: COUNCIL/BOARD MEMBERS: NONE

ABSENT: COUNCIL/BOARD MEMBERS: NONE

ABSTAIN: COUNCIL/BOARD MEMBERS: NONE

Congratulations were made to the new Mayor/Chairman/President and the gavel was transferred from Mark Radecki to Cory Moss. The exchange of seating was made.

Deputy City Clerk Julie Robles then handed the floor to Mayor Moss. Mayor Moss opened the floor for nominations for the position of Mayor Pro Tempore. Council Member/Board Member/Commissioner Ruggles nominated Catherine Marcucci as Mayor Pro Tempore.

MOTION BY COUNCIL MEMBER/BOARD MEMBER/COMMISSIONER RUGGLES, AND SECOND BY MAYOR/CHAIRMAN/PRESIDENT MOSS, TO NOMINATE AND APPOINT CATHERINE MARCUCCI AS THE NEW MAYOR PRO TEM/VICE CHAIR/COMMISSIONER. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL/BOARD MEMBERS: CRUZ, RADECKI, RUGGLES,
MARCUCCI,
MOSS

NOES: COUNCIL/BOARD MEMBERS: NONE

ABSENT: COUNCIL/BOARD MEMBERS: NONE

ABSTAIN: COUNCIL/BOARD MEMBERS: NONE

JOINT SPECIAL MEETING MINUTES OF THE
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RECESS: 4:08 p.m. – Deputy City Clerk Robles requested a short break.

RECONVENED: 4:27 p.m.

Mayor Cory Moss said a few words about her gratitude for the support she has received from her colleagues, talked about the condition of the City when arriving as a Council Member four years ago and the progress that has been made. She stated the City of Industry was the economic engine to the San Gabriel Valley and that she would strive for the City of Industry to be the best city it can be.

ACTION ITEMS

6.1 PRESENTATION AND DISCUSSION REGARDING THE FY 2019-2020 PROPOSED BUDGET

Director of Finance, Yamini Pathak gave a presentation and explained the process of putting together this year's budget. It started in January/February of this year and discussed the back ground of the numbers and was available to answer any questions.

ADJOURNMENT

There being no further business, the Joint Special Meeting adjourned at 4:54 p.m.

CORY MOSS
MAYOR/CHAIRMAN/PRESIDENT

JULIE ROBLES
DEPUTY CITY CLERK/ASSISTANT SECRETARY

PUBLIC FACILITIES AUTHORITY

ITEM NO. 5.2



INDUSTRY PUBLIC FACILITIES AUTHORITY

MEMORANDUM

To: Honorable Chair and Members of the Public Facilities Authority

From: Troy Helling, Executive Director *TH*

Staff: Elise Calvo, Treasurer *EC*

Date: July 16, 2019

Subject: Statement of Investment Policy

OVERVIEW

Section 53646 (a)(2) of the California Government Code, states that the Treasurer or chief fiscal officer of any other local agency may annually render to his/her legislative body and any oversight committee an investment policy, that the legislative body shall consider at a public meeting.

This Agenda Item includes the Statement of Investment Policy for the Public Facilities Authority dated July 26, 2018, which remains unchanged, for all future investments, pursuant to Section 53601 and Section 53635 of the California Government Code.

This investment Policy serves as the foundation of the PFA's investment goals and priorities. This policy will be reviewed regularly or at least annually to assure that it continues to meet the PFA's portfolio goals/priorities, with the intent to protect the assets of the Public Facilities Authority. The existence of an approved investment policy demonstrates that the governing body is performing its fiduciary responsibilities, thereby, inspiring trust and confidence among the public that it serves.

RECOMMENDATION

It is my recommendation that the Authority approve the Investment Policy.

City of Industry

STATEMENT OF INVESTMENT POLICY

ELISE CALVO, CITY TREASURER

CITY OF INDUSTRY
STATEMENT OF INVESTMENT POLICY

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CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

Effective July 26, 2018

(Supersedes All Previous Investment Policies)

1.0 Introduction. The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

2.0 Policy. It is the policy of the City of Industry to invest public funds not required for immediate day-to-day operations in safe, liquid and medium term investments. These investments shall yield an acceptable return while conforming to all California statutes and the City's Investment Policy.

3.0 Scope. It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the City.

3.1 Pooled Investments. Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Utilities Commission, the Industry Public Facilities Authority and the Industry Property and Housing Management Authority. The City's identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the applicable governing board, unless specifically exempted

3.2 Investments held separately. Investment of bond proceeds will be held separately when required by the bond indentures. Bond proceeds will be invested in accordance with the requirements stated in the bond indentures. This policy does not apply to deferred compensation plans.

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STATEMENT OF INVESTMENT POLICY

4.0 Objectives. Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

4.1. Safety. Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

4.2 Liquidity. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 Return on investment. Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

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5.0 Authorized investments. The City Treasurer may invest City funds in the following investments as specified in the California Government Code Section 53601 and is further limited to only these specified investments.

	Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
a.	Securities of the US Government, or its agencies	5 years	None	None
b.	Negotiable certificates of deposits	5 years	30%	None
c.	Non-negotiable certificates of deposits	5 years	None	None
d.	Bankers Acceptances	180 days	40% and no more than 30% of any one commerical bank	None
e.	Commercial Paper	270 days	25% and no more than 10% of a single issuer	A-1 or higher rating from an NRSRO
f.	Local Agency Investment Fund (State pool) deposits (Govt. Code Section 16429.1)	N/A	None	None
g.	Passbook Savings account demand deposits			
h.	Repurchase Agreements	1 year	None	None
i.	Los Angeles County Investment Pool (California Govt. Code Section 53684)	N/A	None	None
j.	It is the City of Industry's policy not to utilize Reverse Repurchase Agreements or shares of beneficial interest issued by diversified management companies (mutual funds), unless that fund is composed entirely of securities of the U.S. Government, or its agencies, and the use of such funds shall be restricted to sweep accounts. (Reverse Repurchase Agreements shall be permitted if they are assets of the Local Agency Investment Fund).			

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6.0 Reporting. Sections 53607 and 53646 of the California Government Code allows the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. Therefore, it is the policy of the City that the City Treasurer or designee appointed by the City Treasurer file a report on the investments and transactions with the City Council as described in Sections 53607 and 53646 of the California Government Code.

7.0 Selection of financial institutions and brokers/dealers. Investments shall be purchased only through well established, financially sound institutions. The City Treasurer or City Manager or their designee may maintain a list of financial institutions and broker/dealers who are approved to provide the City with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this investment policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the City's Investment Policy, and a return cover letter which they must sign indicating that the investment policy has been read, understood and that their investment offers will comply with this policy.

All financial institutions and broker/dealers will take direction from the City Treasurer or City Manager or their designee as it relates to the investment strategy and investment policy of the City. Any instructions will be in the form of written instructions via email or other electronic transmissions.

Qualified financial institutions and broker/dealers must supply the City Treasurer or City Manager or their designee with the following:

7.1 Financial Institutions

- Current audited financial statements
- Depository contracts, as appropriate
- A copy of the latest FDIC call report or the latest FHLBB report, as appropriate
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered

7.2 Broker/Dealers

- Current audited financial statements
- Proof that brokerage firms are members in good standing of a national securities exchange, or
- A designation as a primary government dealer by the Federal Reserve Bank.

Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory net worth divided by total assets), and must have had a positive net earnings for the last reporting period

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The City is prohibited from selecting any broker/dealer that has made a campaign contribution within any consecutive 48-month period which exceeds the limitations contained Rule G-37 of the Municipal Securities Rulemaking Board.

8.0 Ethics and conflicts of interest. All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.