

CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY



Chair Cory C. Moss
Vice Chair Cathy Marcucci
Board Member Michael Greubel
Board Member Mark D. Radecki
Board Member Newell Ruggles

SPECIAL MEETING AGENDA JULY 8, 2021, AT 8:30 A.M.

Location: City Council Chamber, 15651 Mayor Dave Way, City of Industry, California 91744

Addressing the Authority:

NOTICE OF TELEPHONIC MEETING:

- **Pursuant to Section 42 of Executive Order N-08-21, issued by Governor Newsom on June 11, 2021, the regular meeting of the Industry Public Facilities Authority, as of July 8, 2021, will now be held in person and telephonically. Members of the public can attend the hybrid meeting and offer public comments either in person or telephonically, by calling the following conference call number: 657-204-3264, then entering the following Conference ID: 946 667 104#. In accordance with Section 4(e)(i) of the County of Los Angeles Department of Public Health, Order of the Health Officer, dated June 28, 2021, all individuals who attend the meeting in person must wear a mask. Pursuant to the Governor's Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the City Council meeting (including assisted listening devices), please contact the City Clerk's Office at (626) 333-2211 by 5:00 p.m. on Tuesday, July 6, 2021, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.**

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- **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. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda.
 - **Agendas and other writings:** In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk of the City Council during regular business hours, Monday through Thursday, 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 pm. City Hall doors are closed between 12:00 p.m. to 1:00 p.m. each day. 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. **CONSENT CALENDAR**

5.1 Consideration of the minutes of the June 24, 2021, 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
INDUSTRY PUBLIC UTILITIES COMMISSION
AND INDUSTRY PUBLIC FACILITIES AUTHORITY

JUNE 24, 2021
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CALL TO ORDER

The Joint Special Meeting of the Industry Public Utilities Commission and Industry Public Facilities Authority of the City of Industry, California, was called to order by President/Chair Cory Moss at 8:30 a.m., telephonically using Conference Call Number 657-204-3264, Conference ID: 439 676 59#.

FLAG SALUTE

The flag salute was led by President/Chair Moss.

ROLL CALL

PRESENT: Cory Moss, President/Chair
Catherine Marcucci, Commissioner//Vice Chair
Michael Greubel, Commissioner//Board Member
Mark Radecki, Commissioner//Board Member
Newell W. Ruggles, Commissioner//Board Member

STAFF PRESENT: Troy Helling, City Manager; Bing Hyun, Assistant City Manager; Josh Nelson, Transition Manager/Director of Public Works/City Engineer; James M. Casso, General Counsel; and Julie Robles, Secretary.

PUBLIC COMMENTS

There were none.

CONSENT CALENDAR

5.1 CONSIDERATION OF THE MINUTES OF THE FEBRUARY 11, 2021 JOINT SPECIAL MEETING

RECOMMENDED ACTION:

Approve as submitted.

5.2 CONSIDERATION OF AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CLIFTONLARSONALLEN LLP, FOR AUDITING SERVICES IN AN AMOUNT NOT TO EXCEED \$11,950.00 THROUGH JUNE 30, 2022

RECOMMENDED ACTION:

Approve Amendment No. 1.

JOINT SPECIAL MEETING MINUTES OF THE
INDUSTRY PUBLIC UTILITIES COMMISSION
AND INDUSTRY PUBLIC FACILITIES AUTHORITY

JUNE 24, 2021
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5.3 CONSIDERATION OF RESOLUTION NO. IPUC 2021-04 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION ADOPTING THE FY 2021-22 INDUSTRY PUBLIC UTILITIES BUDGET

RECOMMENDED ACTION:
04.

Adopt Resolution No. IPUC 2021-

5.4 CONSIDERATION OF RESOLUTION NO. IPFA 2021-01 – A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY (“IPFA”), ADOPTING THE FY 2021-22 IPFA BUDGET

RECOMMENDED ACTION:
01.

Adopt Resolution No. IPFA 2021-

MOTION BY MAYOR MOSS, AND SECOND BY COUNCIL MEMBER GREUBEL TO APPROVE THE CONSENT CALENDAR. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

| | | |
|---------|----------------|--|
| AYES: | BOARD MEMBERS: | GREUBEL, RADECKI, RUGGLES, MARCUCCI, MOSS |
| NOES: | BOARD MEMBERS: | NONE |
| ABSENT | BOARD MEMBERS: | NONE |
| ABSTAIN | BOARD MEMBERS: | NONE |

ADJOURNMENT

There being no further business, the Joint Special Meeting adjourned at 8:33 a.m.

CORY MOSS
PRESIDENT/CHAIR

JULIE ROBLES
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: June 24, 2021

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 City of Industry dated July 8, 2021, 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 9, 2020

(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 and its component units 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.

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

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STATEMENT OF INVESTMENT POLICY

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.

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 certain investment types are further limited to only the following specified investments.

| | Investment Type | Maximum Remaining Maturity | Maximum Specified % of Portfolio | Minimum Quality Requirements | California Government Code Sections |
|----|--|----------------------------|---|------------------------------------|-------------------------------------|
| a. | Securities of the US Government, or its agencies Including GSE debt and US Treasury Obligations | 5 years | None | None | 53601(b)(f) and 53601.6 |
| b. | Negotiable certificates of deposits | 5 years | 30% | None | 53601(1) |
| c. | Non-negotiable certificates of deposits | 5 years | None | None | 53630 et seq. |
| d. | Bankers Acceptances | 180 days | 40% and no more than 30% of any one commercial bank | None | 53601(g) |
| e. | Commercial Paper | 270 days | 25% and no more than 10% of a single issuer | A-1 or higher rating from an NRSRO | 53601(h)(2)(C), 53635(a)(1) |
| f. | Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| g. | Collateralized Bank Deposits including passbook Savings account demand deposits | 5 years | None | None | 53630 et. Seq and 53601 (n) |
| h. | Repurchase agreements | 1 year | None | None | 53601(j) |
| i. | Los Angeles County Investment Pool (California Govt. Code Section 53684) | N/A | None | None | 53684 |
| j. | It is the City of Industry's policy no 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). | | | | |
| k. | Local Agency Bonds | 5 years | None | None | 53601(a) |

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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|-----------|---|------------------------|-------------|--|-----------------|
| l. | Medium-term notes | 5 years or less | 30% | "A" rating category or its equivalent or better | 53601(k) |
| m. | Registered treasury notes or bonds of any of the other 49 states in addition to California * | 5 years | None | None | 53601(d) |
| n. | Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California* | 5 years | None | None | 53601(e) |
| o. | All securities authorized by the California Code, but which are not currently allowed by this investment policy, must first be approved by City Council at the time of purchase. | | | | |

* Includes but not limited to municipal bonds or other indebtedness issued by the City of Industry and/or its related Agencies.

Section 53601 of the California Government Code provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the City Council may grant express authority to make investments either specifically or as a part of an investment program approved by the City Council that exceeds the five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

5.1 Review of Investment Portfolio. The City's investment portfolio must be in compliance with Section 5.0 of this Policy at the time an investment is purchased. However, due to various reasons the portfolio may not be in compliance. The reasons for noncompliance that may arise include, but are not limited to a downgrade in a security's rating, redemptions or maturities resulting in exceeding maximum percentages of a particular investment type, fluctuation in total portfolio size, a change in the California Government Code, or subsequent update to the Investment Policy that renders investments made under previous policies noncompliant.

The Treasurer shall review the portfolios quarterly to identify any securities that are no longer in compliance. The Treasurer shall report any major and critical incidences of noncompliance to the City Manager and City Council and provide recommendations to address the noncompliant securities.

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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 positive net earnings for the last reporting period

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

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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.