

AGENDA ITEM 2 (ACTION ITEM) APPROVAL OF MINUTES FROM JUNE 21, 2016 AND FEBRUARY 8, 2017 MEETINGS

Minutes

California Debt and Investment
Advisory Commission Meeting
June 21, 2016, 1:00 PM

Jesse M. Unruh State Office Building
915 Capitol Mall, Room 587
Sacramento, California 95814

1. ROLL CALL

Deputy Treasurer Tim Schaefer called the meeting to order at 1:00 p.m. Commission members present included:

Tim Schaefer, Deputy Treasurer, representative for John Chiang, State Treasurer; Eraina Ortega, Chief Deputy Director, Department of Finance, representative for Governor Edmund G. Brown; Richard Chivarro, Deputy State Controller & Chief Counsel, representative for State Controller Betty Yee; Jose Cisneros, Treasurer and Tax Collector, City and County of San Francisco; and David Baum, Director of Finance, City of San Leandro. After roll call was taken, Deputy Treasurer Schaefer declared a quorum was present. Assemblymember Matthew Dababneh, joined the meeting at 1:32pm and left the meeting at 1:46p.m. Senator Carol Liu joined the meeting at 1:43p.m.

2. APPROVAL OF THE MINUTES FROM JUNE 23, 2015 (ACTION ITEM)

Deputy Treasurer Schaefer introduced the first item of business before the Commission, approval of the California Debt and Investment Advisory Commission (CDIAC) meeting minutes from June 23, 2015.

Deputy Treasurer Schaefer asked the Commission if there were amendments to the minutes. Treasurer Cisneros moved to accept the minutes.

Eraina Ortega, Chief Deputy Director seconded the motion. Deputy Treasurer Schaefer asked for a roll call and roll was taken. The motion was passed.

APPROVAL OF JUNE 23, 2015 MINUTES

	AYE	NAY	ABSENT	ABSTAIN
TIMOTHY SCHAEFER				X
ERAINA ORTEGA	X			
RICHARD CHIVARRO	X			
CAROL LIU			X	
MATTHEW DABABNEH			X	
JOSE CISNEROS	X			
DAVID BAUM	X			

3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Deputy Treasurer Schaefer introduced Executive Director Mark Campbell and asked him to present his report.

Mr. Campbell reported that CDIAC's proposed FY 2016-17 budget would increase its authority by three percent (3%) to \$3.5 million. The increase represented personnel and benefit adjustments made by the Department of Finance to CDIAC's baseline budget. Other than these adjustments, he stated, CDIAC's year-over-year baseline budget had remained exactly the same. He stated that CDIAC was fully staffed at 20 full-time permanent positions, one retired annuitant and a student assistant. Mr. Campbell then discussed CDIAC's fund condition, explaining the loan of \$2 million from the CDIAC fund to the State general fund in fiscal year (FY) 2008-09 was repaid on July 15, 2015, bringing CDIAC's fund surplus to \$5 million.

Mr. Campbell then discussed the activities of the three units in CDIAC, the Data Collection and Analysis Unit, the Education and Outreach Unit, and the Policy Research Unit.

Mr. Campbell highlighted the deployment of the DebtWatch platform, initiated with the support of the Treasurer. DebtWatch provides a more user friendly point of access to CDIAC's debt data, capturing more than 30 years of debt issuance by public entities in California. CDIAC is continuing to work to enhance DebtWatch by adding additional data sets. CDIAC hopes to provide users access to bond documents, including of-

fering statements, loan documents and consultant reports associated with the issuance, through DebtWatch.

Mr. Campbell recognized the educational needs of local and state agencies due to an aging workforce and the continuing need for CDIAC to provide core training in debt issuance and administration and the investment of public funds. CDIAC is working on developing internet-based training, including on demand services. Although CDIAC's website now provides access to past educational programs, on-demand training will allow it to incorporate a learning management system to track and enhance knowledge acquisition. The on-demand training will offer a certificate of completion or certification of achievement once completed.

Mr. Campbell stated that CDIAC's priority research projects included an update of the California Debt Issuance Primer (the Primer). Mr. Campbell recognized the efforts of the Research Unit in updating the Local Agency Investment Guideline (LAIG). The LAIG provides local treasury officials and investment officers with fundamental knowledge on the practice of public investing.

Mr. Campbell identified legislative proposals of importance to CDIAC. In particular, SB 1029, sponsored by the Treasurer, would expand CDIAC's authority and require issuers to report to CDIAC annually on the amount of debt authorized and outstanding as well as reporting on the use of bond proceeds.

Deputy Treasurer Schaefer thanked Mr. Campbell and asked if there was any members of the public or commissioners that wished to speak to any of the items covered in Mr. Campbell's staff report. Hearing none, he again thanked Mr. Campbell and closed agenda Item 3.

4. COMMISSION STAFF REPORT (INFORMATION ITEM)

Deputy Treasurer Schaefer asked Mr. Campbell to continue to agenda Item 4, the Fiscal Year 2015-2016 Report of Operations.

Mr. Campbell pointed out that the staff report covers CDIAC core programs, including data collection and reporting, education and outreach, and research. He commended the report to the Commission's attention and offered to answer any questions on CDIAC's prior year activities.

Deputy Treasurer Schaefer asked if there were any questions from the Commission on the report of operations. Hearing none, he asked if there was anybody in the audience that wished to speak to Item 4 of the agenda. Again, hearing none, he closed the informational item with no further action.

5. CONTRACT DELEGATION AUTHORITY (ACTION ITEM)

Deputy Treasurer Schaefer opened agenda Item 5, an action item, Contract Delegation Authority.

Mr. Campbell explained that CDIAC's statute, government code section 8857, requires the Commission to delegate to the executive director authority to enter into contracts on the Commission's behalf. Contracts have been defined by legal counsel to encompass essentially all of CDIAC's program expenditures. Mr. Campbell requested that the Commission approve Resolution 16-01 to delegate to the executive director contract authority totaling \$1.55 million, but limiting individual contracts amounts to no more than \$300,000 with the exception of the interagency administrative service contract, which would be capped at \$560,000.

Deputy Treasurer Schaefer requested a motion. Chief Deputy Director Ortega moved to approve the Resolution and Deputy State Controller Chivarro seconded the motion. Deputy Treasurer Schaefer asked if there were any questions or comments on agenda item number five, adoption of Resolution 16-01, which would delegate contract authority to the executive director. Hearing none, Mr. Schaefer requested that roll be taken.

RESOLUTION 16-01: CONTRACT DELEGATION AUTHORITY

	AYE	NAY	ABSENT	ABSTAIN
TIMOTHY SCHAEFER	X			
ERAINA ORTEGA	X			
RICHARD CHIVARRO	X			
CAROL LIU			X	
MATTHEW DABABNEH			X	
JOSE CISNEROS	X			
DAVID BAUM	X			

Roll was taken. The motion passed.

6. ADOPTION OF REGULATIONS (ACTION ITEM)

Deputy Treasurer Schaefer asked Mr. Campbell to report on agenda Item 6, an action item, Approval of Proposed Regulations.

Mark Campbell informed the Commission of CDIAC's efforts to establish regulations. He explained that agenda Item 6 was a continuation of Resolution 15-02, providing the executive director and the deputy execu-

tive director authority to act in Commission's behalf to submit regulations to the Office of Administrative Law for review and approval.

Since approval of Resolution 15-02, CDIAC amended its regulatory packet requiring CDIAC to once again return to the Commission to seek approval to submit a revised set of regulations to the Office of Administrative Law. Mr. Campbell asked the Commission to approve Resolution 16-02, providing the executive director or the deputy executive director authority to act in the Commission's behalf to submit the new regulatory package to the Office of Administrative Law.

Assemblymember Dababneh joined the meeting.

Deputy Treasurer Schaefer requested a motion to approve Resolution 16-02. Chief Deputy Director Ortega moved for approval. Assemblymember Dababneh seconded the motion.

Deputy Treasurer Schaefer asked if there was any public comment. Hearing none, he asked if the Commission members had any further comments. Again hearing none, he asked for a roll call on the approval of Resolution 16-02.

Deputy Treasurer Schaefer stated that Resolution 16-02 was adopted.

RESOLUTION 16-02:
ADOPTION OF PROPOSED REGULATIONS

	AYE	NAY	ABSENT	ABSTAIN
JOHN CHIANG	X			
KARI KROGSENG	X			
LYNN PAQUIN	X			
CAROL LIU			X	
MATTHEW DABABNEH	X			
JOSE CISNEROS	X			
DAVID BAUM	X			

7. PUBLIC COMMENT

Deputy Treasurer Schaefer then opened the meeting for public comment. Seeing that a member of the public wished to comment, he asked that she come forward and introduce herself.

Ms. Libi Uremovic addressed her concerns regarding the mismanagement of public resources in the City of Beaumont, California. She also presented to the Commission a public records request for information related to the City.

Deputy Treasurer Schaefer thanked Ms. Uremovic for her comments and asked that she provide the public records request to the Commission's legal counsel. He explained that since her concerns were not an agenda item the Commission was unable to take any action on the issue. He again thanked her for sharing her thoughts with the Commission.

Deputy Treasurer Schaefer acknowledged the arrival of Senator Liu.

8. ADJOURNMENT

Deputy Treasurer Schaefer asked if there were additional comments from the public or the Commission. Hearing none, Deputy Treasurer Schaefer again thanked both CDIAC staff and the Commission for their attendance and adjourned the meeting.

The meeting was adjourned at 1:47 p.m.

Minutes

California Debt and Investment
Advisory Commission Meeting
February 8, 2017, 1:00 PM

Jesse M. Unruh State Office Building
915 Capitol Mall, Room 587
Sacramento, California 95814

1. ROLL CALL

Deputy Treasurer Brown called the meeting to order at 1:03 p.m.

Commission members present included: Deputy Treasurer Vince Brown, representative for State Treasurer John Chiang; Eraina Ortega Chief Deputy Director, Department of Finance, representative for Governor Edmund G. Brown; Lynn Paquin, Deputy State Controller, representative for State Controller Betty Yee; Jose Cisneros, Treasurer and Tax Collector, City and County of San Francisco and David Baum, Director of Finance, City of San Leandro. Deputy Treasurer Brown declared that a quorum was present.

2. ADOPTION OF REGULATIONS (ACTION ITEM)

Deputy Treasurer Brown stated that there was only one action item before the Commission and turned the meeting over to Mark Campbell, Executive Director, and Robert Berry, Deputy Executive Director, to present it.

Mark Campbell thanked the chair and all those in attendance for taking the time to attend the special commission meeting. On June 21, 2016, the Commission members approved Resolution 16-02 authorizing the executive director and the deputy executive director to submit regulations in the form approved to an official rule making process through the Office of Administrative Law. CDIAC submitted the regulations to public comment, as required by procedure. Following receipt of comments, CDIAC revised the regulations, whereupon it was advised by the Office of Administrative Law that, as a consequence of the revisions, the authority provided by Resolution 16-02 was no longer valid. In order to resubmit the regulation packet, the Commission must once again take action to approve the proposed regulations and resubmit them to the Office of Administrative Law.

Mr. Campbell asked for the Commission's approval of Resolution 17-01, providing the executive director and the deputy executive director the authority to submit the regulations as presented to the Office of Administrative Law on their behalf.

Jose Cisneros moved to approve Resolution 17-01 and Eraina Ortega seconded the motion.

Deputy Treasurer Brown requested that roll be taken.

Roll was taken and the motion passed.

Deputy Treasurer Brown asked if there was any new business items to come before the Commission.

RESOLUTION 17-01: ADOPTION OF REGULATIONS

	AYE	NAY	ABSENT
TIMOTHY SCHAEFER	X		
ERAINA ORTEGA	X		
LYNN PAQUIN	X		
JOSE CISNEROS	X		
DAVID BAUM	X		

Mr. Campbell stated that there were no new items.

3. PUBLIC COMMENT

Deputy Treasurer Brown asked for public comments. Hearing none, Deputy Treasurer Brown moved to agenda Item 4 and adjournment.

4. ADJOURNMENT

The meeting was adjourned at 1:15 p.m.