

AGENDA ITEM 2 (ACTION ITEM)

APPROVAL OF MINUTES FROM JUNE 13, 2019 MEETING

Minutes

California Debt and Investment
Advisory Commission Meeting
June 13, 2019, 1:00 PM

California State Capitol
10th and L streets, Room 125
Sacramento, CA 95814

ITEM 1. ROLL CALL

Treasurer Fiona Ma, CPA called the meeting to order at 1:00 p.m.

Commission members present included Treasurer Fiona Ma, CPA, State Treasurer; Gayle Miller, Chief Deputy Director, Department of Finance, representative for Governor Gavin Newsom; Lynn Paquin, Deputy State Controller, representative for State Controller Betty Yee; Assemblymember Ash Kalra; Sandie Arnott, Treasurer-Tax Collector, County of San Mateo and Nadia Sesay, Executive Director, San Francisco Office of Community Investment and Infrastructure. Senators John M.W. Moorlach and Steven Bradford joined the meeting at 1:05 p.m. and 1:06 p.m respectively.

Commissioners Arnott and Sesay were participating by telephone at alternate locations – there were no members of the public present at either locations.

ITEM 2: APPROVAL OF THE MINUTES FROM JUNE 19, 2018 (ACTION ITEM)

Treasurer Ma moved to the first item of business, Item 2, approval of minutes from June 19, 2018.

Deputy State Controller Paquin made a motion to approve the minutes. Chief Deputy Director Miller seconded the motion. The secretary called the roll.

APPROVAL OF JUNE 19, 2018 MINUTES

	AYE	NAY	ABSENT	ABSTAIN
GAYLE MILLER	X			
LYNN PAQUIN	X			
SENATOR BRADFORD			X	
SENATOR MOORLACH			X	
ASSEMBLYMEMBER KALRA	X			
SANDIE ARNOTT			X	
NADIA SESAY			X	
TREASURER MA			X	

Treasurer Ma and Commissioners Arnott and Sesay stated they were abstaining because they were not present at the June 2018 meeting.

Treasurer Ma acknowledged the arrival of Senator John Moorlach and Senator Steve Bradford and asked Executive Director Campbell to present Item 3 on the agenda.

ITEM 3. EXECUTIVE DIRECTOR'S REPORT (INFORMATION ITEM)

Mr. Campbell provided an overview of CDIAC's activities for the upcoming Fiscal Year (FY), 2019-2020. CDIAC's budget authority for FY 19-20 increased 2 percent to approximately \$3.8 million - \$180,000 in authority comes from reimbursements comprised of fees paid by seminar attendees and program participants. He identified CDIAC as a special funded agency with operations funded by fees assessed on long-term public agency debt issuance. CDIAC will continue to maintain a fund balance of approximately \$4.7 million for FY 2019-20. For FY 2019-20 expenditures were projected to be \$3.7 million, an increase of 26 percent over the prior FY due to increase in personnel costs. CDIAC is staffed at 21 full-time employees and one student assistant and currently there are three vacant positions.

Next, Mr. Campbell discussed the core projects planned for Fiscal Year 2019-20 for each program area. He identified the first of two legacy projects, the passage of SB 1029 increased the amount of reports submitted to CDIAC. For public debt issued on or after January 20, 2017, issuers are required to submit an annual update on the status of that debt. To try to accommodate the new reports, CDIAC had to make changes to its database.

Then Mr. Campbell discussed the second legacy project, Elected Officials Training (EOT), that will consist of nine modules on debt issuance for elected officials. The pilot is now posted on CDIAC's website and CDIAC is finalizing the contract to develop another four modules. Treasurer Ma stated that the plan is to complete five modules and then possibly develop a certificate program.

CDIAC is working with a steering committee of public organizations which includes the California Association of County Treasurers and Tax Collectors and that Commissioner Arnott is a member of that steering committee. The steering committee is made up of representatives of the leading public finance organizations representing school districts, community college districts, cities, counties and special districts and include the League of California Cities (the League), the California Municipal Treasurers Association (CMTA), the California Society of Municipal Finance Officers (CSMFO) and the California Special Districts Association (CSDA), and they help CDIAC ensure the content is relevant and accurate.

Senator Moorlach asked if a certificate program similar to the municipal treasurer's program, has been considered by CDIAC. Mr Campbell explained CDIAC has considered certificate based programs and currently partners with CMTA on an investment program that earns its members credit towards the certified municipal treasurer's certificate. He explained that CDIAC programs encourage participation in the broadest spectrum of public finance staff throughout the state of California without trying to limit it or direct towards any particular program area or focus. Mr. Campbell then stated that the EOT program may provide an opportunity to offer a certificate for elected officials and the staff are continuing to evaluate and it is truly a function of the Treasurer's authority to issue that certification.

Assemblymember Kalra inquired about the running length for each module. Mr. Campbell replied that all will be 10 or 15 minutes in length. Assemblymember Kalra stated that he thinks that the length is a fair amount of time given the importance of these issues. Ms. Sesay echoed Assemblymember Kalra's thoughts stating that San Francisco over the years has done disclosure training and she liked the idea of having training available in a short, electronic format. Ms. Paquin inquired if CDIAC would ask partners, like the League of California Cities to link to the website – Mr. Campbell answer affirmatively. Mr. Campbell agreed to send the commissioners the curriculum outline for the EOT.

Treasurer Ma moved the discussion toward the upcoming CDIAC Pre-Conference at the Bond Buyer Conference in San Francisco. Mr. Campbell spoke about the Pre-Conference in its 19th year, which will address issuer responses to the SEC amendments to Rule 15C212 requiring specific disclosures issuers of public securities.

Mr. Campbell directed the commissioners to the handout given to each member that included the listing of upcoming education programs, the most recent edition of Debt Line - CDIAC's monthly newsletter, and a legislative update. Specifically, Mr. Campbell focused on SB 598, authored by Commissioner Moorlach and supported by the Treasurer – the bill attempts to implement a standard taxonomy for financial reporting.

ITEM 4. COMMISSION STAFF REPORT (INFORMATION ITEM)

Mr. Campbell stated that while the Executive Director's report is prospective, agenda Item 4, the Staff Report, is a retrospective look at CDIAC operations of the past year. He recognized the efforts of the Data Collection and Analysis Unit, the Education and Outreach Unit, and the Research Unit in collecting and validating the data, developing and conducting educational events, producing both on-going and annual reports in addition to creating new reports and updates. He addressed CDIAC's most recent accomplishment, the completion of the California Debt Financing Guide. He then offered to address any specific questions or concerns about the report.

ITEM 5. CONTRACT DELEGATION AUTHORITY (ACTION ITEM)

Mr. Campbell pointed out that the Commission must delegate the authority to the Executive Director to act on the Commission's behalf to sign contracts. This delegation covers just about every expenditure made by CDIAC including copier, lease agreement, and office supplies; however, this delegation is principally used for contracting for seminar programs or consulting services for the development of the elected officials training, and the debt-financing guide.

Resolution 19-01 requests delegation of this authority with the following limitations: \$1,600,000 in total, with a single contract authority limited to \$300,000, excluding the interagency agreement between CDIAC and the State Treasurer's Office, which is limited to \$540,000. Mr. Campbell requested approval of Resolution 19-01. Senator Bradford made a motion to approve Resolution 19-01. Assemblymember Kalra seconded the motion.

APPROVAL OF RESOLUTION 19-01- CONTRACT DELEGATION

	AYE	NAY	ABSENT	ABSTAIN
GAYLE MILLER	X			
LYNN PAQUIN	X			
SENATOR BRADFORD	X			
SENATOR MOORLACH	X			
ASSEMBLYMEMBER KALRA	X			
SANDIE ARNOTT	X			
NADIA SESAY	X			
TREASURER MA	X			

ITEM 6. PUBLIC COMMENT

Treasurer Ma opened the meeting up for public comment. With no public comments, the Treasurer then took a few minutes to recognize two staff members. First, she recognized Spencer Walker, a new staff attorney to the State Treasurer's Office, who works with CDIAC. Next, she recognized CDIAC executive director, Mark Campbell, who will retire in September.

ITEM 7. ADJOURNMENT

The meeting was adjourned at 1:49 p.m.