

LOCAL INVESTMENT ADVISORY BOARD

915 Capitol Mall, Room 110

Sacramento, CA 95814

Minutes

October 6, 2020

Treasurer Ma called the meeting to order at 2:16 p.m.
Meeting was held via video conferencing application TEAMS.

1. Roll Call

Members Present:

State Treasurer, Fiona Ma
Walter Hall
Sung Hyun
Amy Lee
Rafi Manoukian

Staff Present:

Spencer Walker, Senior Attorney
Jennifer Baldwin, Senior Attorney
Kristin Szakaly-Moore, Director of Investments
Jeff Wurm, Assistant Director of Investments
Christina Sarron, LAIF Administrator
Lily Osorio, Treasury Program Manager
Jaya Naidu, Associate Treasury Program Officer

Treasurer Ma declared a quorum.

2. Review of Unapproved Minutes from November 13, 2019 Meeting.

- Board Member Manoukian made the motion to approve the minutes.
- Board Member Hall seconded the motion.

The minutes were approved by the following votes:

Treasurer Ma	Aye
Walter Hall	Aye
Sung Hyun	Aye
Amy Lee	Aye
Rafi Manoukian	Aye

3. Review of Unapproved Minutes from February 19, 2020 Meeting.

- Board Member Hyun commented if there could be some corrections made to be consistent with the last names of the Board Members.
- Board Member Manoukian asked if a motion was made after those changes.
- Board Member Hyun responded that he would make a motion to approve the minutes after the revision.
- Board Member Hyun made the motion to approve the minutes and Board Member Manoukian seconded the motion.
- The minutes were approved by the following votes:

Treasurer Ma	Aye
Walter Hall	Aye
Sung Hyun	Aye
Amy Lee	Aye
Rafi Manoukian	Aye

4. Advisement regarding Quasi-Governmental Agency LAIF Participation Parameters.

- Treasurer Ma requested staff to go over the topic of discussion regarding this matter.
- Ms. Sarron stated that there was a new form designed to add specific questions for agencies wanting to participate in LAIF. Ms. Sarron further explained the changes to the form based on the Board Members' suggestions.
- Board Member Hyun asked if there was a minimum requirement for the agency to meet the requirements in order to qualify to participate in LAIF.
- Treasurer Ma asked the name of the agency that was looking to participate. Ms. Sarron mentioned it was "The Maddy Institute" which was part of Cal State Fresno.
- Board Member Hall asked if the form was used to review the agency's application.
- Ms. Sarron stated that the staff fills out the form with the agency's information.
- Treasurer Ma asked if there were any searches done to check for any negative reviews on the agency. Ms. Sarron stated that the information can be added.
- Board Member Hyun recommended that if a member of the board has any relationship to the applicant, the member should recuse him/herself.
- It was further recommended by the Board that if the governing body is made up of Public Officials, then a Form 700 would be needed, which is usually available for Public Records.

- Ms. Sarron stated that those changes will be made to the form. She also mentioned that there were a total of four entities that were waiting for their application review to see if they qualify to participate in LAIF. She stated that the form was being revised so the applications have not been reviewed. A new LIAB meeting will need to be scheduled in order to approve the forms so the applications can be reviewed.
- Board Member Hyun inquired about the previous question regarding existing QGA's if they will be required to undergo the same review. Treasurer Ma confirmed that all agencies will need to be reviewed based on the new QGA standards.
- Treasurer Ma asked if a new meeting could be scheduled to evaluate the new applicants as well as the existing QGA members.
- Based on the all member's recommendations, a new meeting was going to be later scheduled in early 2021. Ms. Naidu asked if February 2021 would work for everyone which was agreed by all members.

5. 2020 LAIF Webinar

- Ms. Osorio updated the Board regarding the 2020 LAIF webinar.
- She mentioned the webinar was scheduled for Wednesday, October 14, 2020 at 10:30 a.m.
- Ms. Osorio went over the webinar agenda and the speakers. She also mentioned that there were 234 participants registered so far.
- Treasurer Ma asked how many participants actually attend in person. Ms. Sarron stated that there were 110 participants at the conference in 2019. Mr. Wurm further explained the outcomes of previous conferences and webinars.
- Treasurer Ma asked if the cost was decreased. Staff mentioned that there was no cost associated with the webinar.
- Treasurer Ma asked how long the webinar was scheduled. She also wanted Mr. Wurm to go over the presentations.
- Mr. Wurm went over the economist's presentation. He stated that the managers will go over the LAIF/PMIA performances and how to keep their money safe with LAIF. He asked if Board Member Hall wanted to add anything since he has been a long time LAIF webinar/conference participant.
- Board Member Hall thanked Mr. Wurm for giving him an opportunity to speak. He inquired regarding the number of participants and the payouts and if the rates dropped, were there any risks of losing participants.
- Mr. Wurm stated that based on previous experiences, there hasn't been too many changes which is what he anticipates in the future. He also explained the quarter ending June 30 numbers would be presented.
- Treasurer Ma also stated that since March 16, 2020 several departments have been participating in a standing 8:00 a.m. call to monitor funds that are mostly coming in and also going out. She asked if any of local agencies have inquired again regarding a Cap increase. Staff responded that there will always be requests to increase the Cap.

- Ms. Sarron requested the Board members to email any questions they may have for the webinar.

6. Overview of PMIA and LAIF Operations

- Mr. Wurm went over the performance rates.
 - The PMIA balance for the quarter ending June 30, 2020 was \$97.9 billion.
 - LAIF was \$24.6 billion
 - The daily rate was 1.08%
 - The quarter to date was 1.41%
 - The year to date was 1.93%
 - The average life of the portfolio was 191 days.
- Ms. Osorio went over the LAIF Operations.
 - There were two apportionment rates since the last board meeting in February 19, 2020.
 - The quarterly apportionment rate for the quarter ending March 31, 2020 was 2.03% with the administrative costs equaling 0.36% of the earnings.
 - The quarterly apportionment rate for the quarter ending June 30, 2020 was 1.47% with the administrative costs equaling to 0.16% of the earnings.
 - As of June 30, 2020 we had 2,362 participants in LAIF. The breakdown consisted of: 1,591 Special Districts, 475 Cities, 180 Trustee Accounts, 62 Bonds and 54 Counties.
 - LAIF was approximately 31.2% of the pool.
 - LAIF Online update: 846 agencies registered and an average of 68 online transactions per day in August or 61% daily transactions.
 - Board Member Lee asked if LAIF was encouraging participants to use LAIF online. Ms. Sarron mentioned that we have a quite a few of accounts signed up for LAIF online that are able to. Ms. Osorio explained why some accounts are unable to sign up. Ms. Sarron also mentioned that staff has been proposing LAIF online to users benefits.
 - Treasurer Ma asked regarding the PMIA graphs. Mr. Wurm explained what each portion of the graph meant in regards to investing.

7. Public Comment

Treasurer Ma confirmed there was no further public comment.

8. Adjournment

There being no further business, public comments, or concerns the meeting adjourned at 2:50 p.m.

Respectfully submitted,

(Originally signed by)

Christina Sarron
LAIF Administrator.