LOCAL INVESTMENT ADVISORY BOARD
901 P Street, Room 102
Sacramento, CA 95814

Minutes

Thursday, September 25, 2025

The meeting was called to order at 11:39 a.m.

Board Members Present:	John Sheldon for State Treasurer Fiona Ma
	Phonxay Keokham
	Amy Lee
	Yvonne Yiu
Board Member Absent:	Rafi Manoukian
Staff Present:	William Pahland, General Counsel
	Jeff Wurm, Director of Investment Division
	Kim McCorstin, Assistant Director of Investment Division
	Lily Osorio, LAIF Administrator
	Nicole Milliron, LAIF Operations Manager
	Janice Hayashi, Associate Treasury Program Officer

Mr. Sheldon declared a quorum at 11:40 a.m.

Action Item: Approval of Minutes from November 13, 2024

Mr. Sheldon asked for public comments; there were none. Ms. Lee moved to approve the minutes for the November 13, 2024 meeting. Upon a second by Mr. Keokham, the motion passed 4-0 with the following votes: Mr. Sheldon: aye; Mr. Keokham: aye; Ms. Lee: aye; Ms. Yiu: aye.

Information Item: 2026 Local Agency Investment Fund (LAIF) Webinar

Ms. Osorio presented the details for the annual LAIF Webinar scheduled for February 12, 2026 at 10:30 a.m. Treasurer Ma will begin the webinar by welcoming all guests, Mr. Steven Ricchiuto, the Managing Director and Chief US Economist from Mizuho Americas, will present an economic outlook, and the Investments Division management team will present the Pooled Money Investment Account (PMIA) and LAIF performance reports. Ms. Osorio also announced that a save the date will be sent out in the next few weeks.

Ms. Lee asked if the webinar is open just to members, if it's posted online, and how long it is. Ms. Osorio responded that it is open to the public and will be posted on the website. Ms. Milliron added that it is two hours long. Mr. Sheldon asked what the height of the participation was for the 2025 webinar. Ms. Osorio responded that there were about 250 participants.

Sheldon asked for public comments; there were none.

Information Item: Overview of PMIA and LAIF Operations

Ms. McCorstin presented the PMIA performance summary as of June 30, 2025. The total portfolio amount was $178.130 billion, LAIF represented approximately 14.12% of the PMIA, the daily rate was 4.264%, the quarter to date was 4.274%, the year to date was 4.411%, and the average life of the portfolio was 248 days.

Ms. Milliron presented an overview of LAIF Operations. As of June 30, 2025, LAIF's deposits totaled $24.489 billion with 2,334 LAIF participants. LAIF finalized three quarterly apportionment rates subsequent to the most recent board meeting held on November 13, 2024. The two most recent quarterly apportionment rates include the quarter ending March 31, 2025, which had an apportionment rate of 4.48% with administrative costs equaling 0.26% of earnings, and the quarter ending June 30, 2025, which had an apportionment rate of 4.40% with administrative costs equaling 0.18% of earnings. The average number of LAIF Online transactions for August was 34 transactions per day or 76% of total daily transactions.

Ms. Lee stated that there has been a slight improvement in terms of the year-to-date yield and asked if there have been any challenges and how the PMIA is impacted by interest rates. Ms. McCorstin responded that the yield does change depending on the market and some of the challenges have been to manage the day-to-day cash flow and cover large outflow dates. Ms. McCorstin also responded that the PMIA yield trails the market (Fed Funds Rate) by about 6 months. Ms. Milliron added that the last five annual rates were 0.5%, 0.371%, 2.17%, 3.92%, and 4.41%.

Mr. Keokham asked about the change in administrative cost. Ms. Milliron responded that there is an expected rate for the first three quarters and the June rate is a true up for the actual administrative cost for the year. Ms. Yiu asked if there are any allocation changes compared to last year. Ms. McCorstin responded that allocations have not changed much since last year. We currently have about 50% in treasuries, 29% in agencies, 9% in CD's, and 6% in commercial paper, in addition to time deposits and corporate bonds which are a bit smaller. Mr. Sheldon asked if the trustee accounts are bond proceeds. Ms. Milliron responded that they are both bond proceeds but the type of account depends on who manages it. A regular bond account is managed by the local agency, and a trustee bond account is managed by a trustee. Mr. Sheldon asked if the trustee makes investment directions on behalf of the local agency and Ms. Milliron confirmed that they do. Mr. Keokham asked if we have been getting interest from Native American tribes. Ms. McCorstin replied that we haven't had any recent interest.

Mr. Sheldon asked for public comments; there were none.

Mr. Sheldon asked to confirm that LAIF is a subset of the PMIA and that there are no specific carve outs for LAIF and all investment decisions such as duration are driven by the overall PMIA. Mr. Wurm confirmed, and Ms. McCorstin added that the PMIA is a cash flow driven portfolio. Ms. Lee asked if we forecast LAIF transactions. Mr. Wurm responded that LAIF is harder to forecast, but there are normal trends that we tend to see, and we are right on track where we normally are. Mr. Keokham asked if there is a strategy in place when participants choose to withdraw their funds. Mr. Wurm stated that they meet with our cash management team and are intentionally overshooting the cash flow forecast. Mr. Wurm added that they are working to expand their options such as money markets, with the intent, to park roughly 10% of LAIF deposits into money markets for more leeway. Ms. Lee asked how LAIF balances have changed over the last five years. Ms. Milliron responded that the highest LAIF balance was $37

billion in June 2021, the lowest LAIF balance was $19 billion, with LAIF hovering around $20-$24 billion normally. Mr. Phonxay asked if there is a possibility of increasing the LAIF account balance cap. Mr. Wurm responded that the agencies were able to deposit stimulus and CARES money into LAIF in separate accounts, which led to the increase in the LAIF balance, but we do not currently have plans to increase the maximum balance.

Public Comment

Mr. Sheldon asked for public comments; there were none.

Adjournment

In the absence of further business, public comments, or concerns, the meeting was adjourned at 12:03 p.m.

Respectfully submitted,

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Lily Osorio
LAIF Administrator