




## STAFF REPORT

DATE: JANUARY 30, 2012

TO: HONORABLE MAYOR AND CITY COUNCIL  
(**RDA SUCCESSOR AGENCY CAPACITY**)

FROM: AURELIO DE LA TORRE, CITY TREASURER 

PREPARED BY: DEAN DERLETH, CITY ATTORNEY

SUBJECT: ADOPT RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN  
THE LOCAL AGENCY INVESTMENT FUND (LAIF)

### RECOMMENDED ACTION

It is recommended that the City Council, as Successor Agency to the Redevelopment Agency for the City of Colton ("RDA Successor Agency"), adopt the attached proposed resolution to authorize investment of monies in the Local Agency Investment Fund (LAIF).

### GOAL STATEMENT

The proposed resolution will help implement the City Council's goal to continue to update policies, ordinances and processes when and as needed.

### BACKGROUND

As a result of Assembly Bill 1X 26 (AB 26) and the recent California Supreme Court decision, redevelopment agencies will no longer exist after January 31, 2012. Like other California cities, the City of Colton is in the process of winding down its redevelopment agency operations and transitioning to a successor entity for redevelopment activities. In response to these changes that all cities are experiencing, the State Treasurer's Office issued a notice to California cities regarding how the transition of redevelopment operations to a successor entity may affect their accounts with the LAIF.

### ISSUES/ANALYSIS

Like many other state public agencies, the City of Colton maintains an account with the LAIF, managed by the State Treasurer's Office. Because of the imminent end of redevelopment agencies, the State Treasurer's Office has asked all agencies with LAIF accounts to provide: (1) information regarding the identity of the successor entity that will be taking over redevelopment operations, and (2) contact information for the person(s) at the successor entity who will work with the State Treasurer's Office to get new authorization documents in place as soon as possible.

In addition, the State Treasurer's policies require that LAIF transactions can be processed only with evidence that the individual requesting the transaction is authorized by the agency on whose behalf the request is made. As evidence of such authorization, the State Treasurer's Office requires the City to provide a resolution naming the staff members who have authority to request transactions for the LAIF. For this purpose, staff has prepared the attached resolution, naming Aurelio De La Torre, City Treasurer, and Bonnie Johnson, Management Services Director, as the persons authorized to order the deposit or withdrawal of monies in the LAIF on behalf of the City, as the RDA Successor Agency.

The State Treasurer's Office issued a warning to all LAIF participants that without the appropriate documentation in place, LAIF transactions cannot be processed for an agency or for its successor entity. Because of the fast approaching deadline of January 31st, the State Treasurer's Office is urging LAIF participants to immediately send in the necessary documentation.

#### **FISCAL IMPACTS**

No fiscal impact is anticipated from adoption of the proposed resolution. The resolution is required by the State Treasurer's Office as evidence that the City has authorized the specified staff member to request transactions for the Local Agency Investment Fund (LAIF) on behalf of the City, as the RDA Successor Agency.

#### **ALTERNATIVES**

1. Provide alternative direction to staff.

#### **ATTACHMENTS**

Exhibit A – Proposed RDA Successor Agency Resolution (SAR-01-12)



1           **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLTON AS**  
2           **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF**  
3           **COLTON DOES HEREBY RESOLVE AS FOLLOWS:**

4           **SECTION 1.** The RDA Successor Agency does hereby authorize the deposit and  
5 withdrawal of City monies, including monies held as the RDA Successor Agency, in the Local  
6 Agency Investment Fund in the State Treasury in accordance with the provisions of Section  
7 16429.1 of the Government Code for the purpose of investment as stated therein, and verification  
8 by the State Treasurer's Office of all banking information provided in that regard.

9  
10           **SECTION 2.** The following City officers or their successors in office shall be authorized  
11 to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

12                           Aurelio W. De La Torre, City Treasurer

13                           Bonnie Johnson, Management Services Director

14  
15           **SECTION 3.** The Mayor shall sign this Resolution and the City Clerk shall attest thereto,  
16 and this Resolution shall take effect and be in force on the date of its adoption.

17  
18                           **PASSED, APPROVED AND ADOPTED** this 30th day of January, 2012.

19  
20  
21                           \_\_\_\_\_  
22                           Sarah S. Zamora  
23                           Mayor

24           **ATTEST:**

25                           \_\_\_\_\_  
26                           Eileen C. Gomez, CMC  
27                           City Clerk