

AGENDA ITEM 2 (ACTION ITEM)

APPROVAL OF MINUTES FROM JUNE 19, 2018 MEETING

Minutes

California Debt and Investment
Advisory Commission Meeting
June 19, 2018, 1:00 PM

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

ITEM 1. ROLL CALL

Deputy Treasurer Tim Schaefer called the meeting to order at 1:05 p.m. Commission members present included: Tim Schaefer, Deputy Treasurer, representative for John Chiang, State Treasurer; Jacqueline Wong-Hernandez, Chief Deputy Director of Policy, Department of Finance, representative for Governor Edmund G. Brown; Jose Cisneros, Treasurer and Tax Collector, City and County of San Francisco; and David Baum, Director of Finance, City of San Leandro. Assemblymember Sabrina Cervantes and Richard Chivaro, Deputy State Controller & Chief Counsel, representative for State Controller Betty Yee, joined the meeting at 1:19 p.m.

CDIAC's Executive Director Mark Campbell opened the discussion with agenda Item 3 because a quorum had not been established.

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

Mr. Campbell reviewed CDIAC's budget authority Fiscal Year (FY) 18-19 stating that the authorized budget is \$3.8 million, a decrease of \$8,000 from the prior fiscal year. The total budget authority includes \$3.6 million in expenditure authority and \$180,000 in reimbursement authority, which comes from fees paid by individuals attending education programs and any sale of publications. The budget also includes an adjustment of \$115,000 in pension and employee benefits. CDIAC is staffed at 21 full-time positions, representing an increase of one position

from the prior FY due to the implementation of SB 1029's annual debt reporting requirements.

Mr. Campbell then turned his focus to the specific activities scheduled for the upcoming fiscal year. He explained that CDIAC has three program areas, one of which is the Data Collection Unit, the core of its business activities and source of CDIAC's revenue. Mr. Campbell discussed the importance of the Unit's role in the implementation of SB 1029 and recognized the substantial effort by staff to develop an annual debt report form in compliance with the statute. He stated that 1,900 different issuers were obligated to provide an annual debt report and once the data had been validated it would be published on the Treasurer's DebtWatch website. CDIAC's responsibility has changed from collecting point in time data to annual data on debt issuance. As a result, there is a pressing need for CDIAC to upgrade its database and supporting technology to provide better access to the data and more analytic functionality.

Mr. Campbell addressed CDIAC efforts to develop on-demand, on-line training for elected officials. He stated that CDIAC has partnered with public finance organizations representing cities, school districts, and special districts to not only develop materials but, once launched, promote its use among their constituents.

Mr. Campbell then highlighted the update of CDIAC's Debt Primer. The California Debt Issuance Primer was first published in 1986 and serves as a resource guide for finance officials in the State of California. He pointed out that changes in the market, products, and roles and responsibilities due to the regulatory reform of Dodd-Frank necessitate an update. The project will be completed late 2018 or early 2019.

Mr. Campbell concluded by offering that the three projects discussed are prime examples of the use of the expertise and collaborations with industry and public agency partners.

Deputy Treasurer Schaefer asked if there were any other questions and welcomed Assemblymember Cervantes and Deputy State Controller Chivaro to the meeting. He pointed out that there was now a quorum present. Deputy Treasurer Schaefer then stated that the origin of the on-demand elected officials training project arose from what appeared to be a very casual conversation between Treasurer Chiang and UC President Janet Napolitano a couple of years ago.

Deputy Treasurer Schaefer asked if there were any further comments. Hearing none, he stated that the commission would return to the first action item on the agenda, the approval of the minutes of the prior meeting.

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

Deputy Treasurer Schaefer asked for a motion to approve the minutes. Deputy Director Wong-Hernandez moved to accept the minutes. Treasurer Cisneros seconded the motion. Deputy Treasurer Schaefer acknowledged the second and asked if there were any questions or comments before he asked for a roll call.

Mr. Campbell stated that he needed to make a couple of edits for the record. Mr. Campbell entered the following edits into the record:

1. On page 5, a deletion to paragraph three, which begins with “Chief Deputy Director Ortega”.
2. On the second line to remove “of” in the phrase “staff reported of on” and the paragraph just below that begins with “Mr. Campbell” adding a period to the end of that second sentence.

Deputy Treasurer Schaefer made the corrections and asked if there were any other corrections. Hearing none, he reminded the group that the motion to approve the minutes had been made and seconded. He then asked if there was anyone on the telephone who wished to comment. Hearing none, he asked for a roll call and roll was taken.

APPROVAL OF JUNE 19, 2018 MINUTES

	AYE	NAY	ABSENT	ABSTAIN
JACQUELINE WONG-HERNANDEZ	X			
RICHARD CHIVARO	X			
SABRINA CERVANTES	X			
JOSE CISNEROS	X			
DAVID BAUM	X			
TIM SCHAEFER	X			

The motion was passed.

Deputy Treasurer Schaefer than asked Mr. Campbell to present Item 4 on the agenda.

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

Units 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 then offered to address any specific questions or concerns about the report.

Deputy Treasurer Schaefer asked if there were any questions from the Commission members. Hearing none, he commented that he had participated in the webinar that CDIAC presented on the implementation of SB 1029 and was pleased to see that, as a result of staff outreach, more than 500 people registered for the webinar and the vast majority actually participated.

Mr. Campbell briefed the commission on CDIAC’s continued reporting on local school GO bond authority and its report on tax and bond measures in both primary and general elections across the state.

Deputy Treasurer Schaefer asked if there were any questions on agenda Item 4. Hearing and seeing none, he closed Agenda Item 4.

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 all of CDIAC’s service agreements and purchase orders. He requested delegation of this authority by resolution of the commission with the following limitations: \$1,600,000, with any single contract authority limited to \$300,000 excluding the inter-agency administrative service agreement with the State Treasurer’s Office, which is limited to \$545,000. So with those limitations, Mr. Campbell requested approval of Resolution 18-01.

Deputy Treasurer Schaefer asked if there were any questions. Hearing none, he requested a motion. Chief Counsel Chivaro moved to approve Resolution 18-01 and Mr. Cisneros seconded the motion. Mr. Schaefer requested that roll be taken.

APPROVAL OF CONTRACT DELEGATION AUTHORITY

	AYE	NAY	ABSENT	ABSTAIN
JACQUELINE WONG-HERNANDEZ	X			
RICHARD CHIVARO	X			
SABRINA CERVANTES	X			
JOSE CISNEROS	X			
DAVID BAUM	X			
TIM SCHAEFER	X			

The motion was passed.

ITEM 6. PUBLIC COMMENT

Deputy Treasurer Schaefer then opened the meeting up for public comment. Hearing none and seeing none, Mr. Schaefer thanked everyone for their attendance.

ITEM 7. ADJOURNMENT

The meeting was adjournment at 1:33 p.m.