

**LOCAL INVESTMENT ADVISORY BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814**

Minutes

March 8, 2021

Treasurer Ma called the meeting to order at 1:07 p.m.
Meeting was held via video conferencing application Microsoft Teams.

1. Roll Call

Members Present:

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

Staff Present:

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 at 1:09 p.m.

2. Review of Unapproved Minutes from October 6, 2020 Meeting.

- Board Member Hall made the motion to approve the minutes.
- Board Member Manoukian seconded the motion.
- Chair Ma asked if there were any questions or public comment; there were none.

The minutes were approved by the following votes:

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

3. **Advisement regarding Quasi-Governmental Agency (QGA) LAIF Participation Parameters.**

- Ms. Sarron stated that this is an advisement and this assessment was revised to receive a final version based on feedback from the Board Members at the previous board meeting.
- Ms. Sarron stated that based on the assessment she was able to make some recommendations.
- Ms. Sarron explained that as suggested previously, regarding Form 700 review, she was unable to incorporate that as a requirement due to the fact that the forms are only available for individuals that have been elected to office. She mentioned, however, that she was able to go to the IRS.gov website and was able to retrieve the Form 990 for the applicants.
- Ms. Sarron asked if there were any suggestions from the Board Members to make any changes to the form. She mentioned that the questions as to how much and when the agency was willing to invest were added as requested.
- Board Member Manoukian stated that the form looked great. He asked if question one had an option where an agency's board consisted of private individuals only. Ms. Sarron explained that most of the agencies that we have come across have had at least one public official. She also stated that she could include that to the form as well. Board Member Lee stated that it would be better to have three the options.
- Ms. Sarron went over the existing QGA accounts.
- Board Member Manoukian stated he had some comments regarding some of the existing QGA accounts. There was discussion regarding charter schools and where the funds go.
- Treasurer Ma asked if there was one charter school in the program, if there was a possibility to enroll other charter schools.
- All Board Members agreed to keep the six existing QGA accounts in LAIF.
- Board Member Lee asked if there was any other way to get information regarding conflicts of members.
- Chair Ma asked if there were any questions or public comment; there were none.

The form was approved by the following votes:

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

- Board Member Hall moved the motion to approve the six existing QGA's. Board Member Hyun seconded the motion.
- Chair Ma asked if there were any questions or public comment; there were none.

The existing QGA's were approved by the following votes:

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

- Ms. Sarron went over details of new agencies that were applying as a QGA. Board Member Manoukian inquired who filled out the forms. Ms. Sarron stated that the staff fills out the assessment forms.
- There was more discussion regarding each of the agencies applying. The discussion included open board meetings, assets, how the agencies were formed.
- Ms. Osorio explained why the open meetings box on the form was not checked. Ms. Sarron explained that all the agencies have open meetings based on her research.
- Director Szakaly-Moore stated that all the boxes need to be checked and staff needs to have an extra check for these questions. Ms. Sarron explained that she overlooked the information when she went through her final checks.
- Treasurer Ma asked everyone if they agreed to allow all six new QGA applicants to invest in LAIF.
- Board Member Hall moved the motion to accept all six applicants. Board Member Lee seconded the motion.
- Chair Ma asked if there were any questions or public comment; there were none.

The new QGA applicants were approved by the following votes:

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

4. Overview of PMIA Performance and LAIF Operations.

- Mr. Wurm went over the PMIA performance summary as of December 31, 2020.
 - PMIA was \$107.4 billion
 - LAIF was 31.41% of the pool
 - The daily rate was 0.49%
 - The quarter to date was 0.58%
 - The year to date was 0.691%
 - The average life of the portfolio was 165 days.
- Ms. Osorio went over LAIF Operations.
 - There were two quarterly apportionment rates subsequent to the most recent board meeting held on October 6, 2020.
 - The quarterly apportionment rate for the quarter ending September 30, 2020 was 0.84% with the administrative costs equaling 0.76% of the earnings.
 - The quarterly apportionment rate for the quarter ending December 31, 2020 was 0.63% with the administrative costs equaling 1.03% of the earnings.
 - As of December 31, 2020, LAIF we had 2,380 participants in LAIF which consisted of:
 - 1,607 Special Districts
 - 475 Cities
 - 181 Trustee Accounts
 - 63 Bonds
 - 54 Counties
 - As of 12/31/20, LAIF comprised of approximately 31.41% of the pool.
 - LAIF online had 1225 agencies registered. There was an average of 71 online transactions per day in February or 72% of the daily transactions.
- Treasurer Ma commented that LAIF online had about half of the daily transactions. Ms. Osorio mentioned it was more than half of the transactions. Treasurer Ma asked if LAIF online was being mentioned to agencies for registration purposes. Ms. Osorio explained that it was being mentioned and sent out on announcements as well. Mr. Wurm explained that there was a pretty good increase in registrations for LAIF online since the last Board Meeting. Director Szakaly-Moore stated that a lot of agencies like speaking with staff for interaction.
- Board Member Hall wanted to thank the staff for working remotely and keeping stuff together. Treasurer Ma also thanked the staff for doing a good job.
- Chair Ma asked if there were any questions or public comment; there were none.

5. Public Comment:

- Treasurer Ma confirmed there were no public comments.

6. Adjournment:

- There being no further business, public comments, or concerns the meeting adjourned at 1:55 p.m.

Respectfully Submitted,
(Originally signed by)

Christina Sarron
LAIF Administrator