



Executive Officer's Report

To: Imperial LAFCo Commissioners

From: Tyler Salcido, Executive Officer *TRS*

Item #: 8b

Subject: Investment of funds in the Local Agency Investment Fund

Date: August 28, 2025

Time: 08:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street, El Centro, CA 92243

Report

On June 26, 2025, the Commission approved and adopted an Investment Policy, as follows:

1. **Adopts the Investment Policy** attached hereto as Exhibit "A" and incorporated herein by this reference.
2. **Authorizes the Executive Officer** to invest funds in accordance with the adopted Investment Policy.
3. **Requires that investment reports** be provided to the Commission no later than January and July of each year, detailing portfolio holdings, performance, and compliance with the policy.
4. **Affirms that any deviation** from the authorized investment instruments listed in Section III of the policy shall require prior approval by the Commission.

The Executive Officer of the Imperial County Local Agency wishes to invest funds in the Local Agency Investment Fund, in which they require a resolution made out directly to them.

Options

- OPTION #1:** Approve the investment of funds in the Local Agency Investment Fund.
- OPTION #2:** Deny approval of the investment of funds in the Local Agency Investment Fund

Recommendation by the Executive Officer

- OPTION #1:** Approve the investment of funds in the Local Agency Investment Fund.

EXHIBIT A: Investment Policy adopted on June 26, 2025
EXHIBIT B: Draft LAFCo Resolution #2025-XX

EXHIBIT A

Investment Policy adopted on June 26, 2025



INVESTMENT POLICY

I. AUTHORITY & PURPOSE

In accordance with California Government Code Section 53600 et seq., the authority to invest public funds not required for the immediate needs of the agency is expressly delegated to the Imperial County Local Agency Formation Commission (LAFCo). The Commission has delegated this responsibility to the LAFCo Executive Officer.

The purpose of this policy is to establish investment guidelines for LAFCo officials to ensure the stewardship of agency funds. Pursuant to state law, the Commission and Executive Officer, when investing funds, shall act with care, skill, prudence, and diligence under the circumstance then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency. All investments shall be in conformance with federal, state, and other legal requirements.

Investments made pursuant to this policy are limited to those instruments specified by LAFCo.

II. INVESTMENT OBJECTIVES

In accordance with Government Code Section 53600.5, the primary objectives of LAFCo's investment activities, in priority order, are:

1. **Safety of Principal:** Investments should first and foremost ensure the preservation of principal. The trustee shall evaluate, or cause to be evaluated, each potential investment, seeking both quality in issuer and in underlying security or collateral. The objectives will be to mitigate credit risk and interest rate risk.
2. **Liquidity:** All funds shall be invested in a manner which will provide sufficient liquidity to meet the operating needs of the Commission. Therefore, investments shall have maturity dates aligned with the cash flow requirements of the commission and shall allow for rapid conversion to cash, without any significant losses to the investment value.
3. **Return on Investment:** Investments shall be undertaken to attain market rates of return, consistent with the higher priority objectives of safety and liquidity.

Investments that are not consistent with this Investment Policy are prohibited. LAFCo shall not engage in leveraged investing, including but not limited to margin accounts, hedging, or any form of borrowing for the purpose of investing.

III. AUTHORIZED INVESTMENTS (WITHOUT PRIOR COMMISSION APPROVAL)

The following investments are authorized and may be made without prior Commission approval, subject to the limitations shown and compliance with all applicable provisions of state law:

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % of PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOV CODE SECTIONS	NOTES
U.S. Treasury Obligations	5 years	None	None	53601(b)	Backed by the full faith & credit of the U.S. Government
State Obligations – CA & Others	5 years	None	None	53601(c) 53601(d)	Must be rated at least A or its equivalent
CA Local Agency Obligations	5 years	None	None	53601(e)	Includes bonds, notes, or warrants of CA local agencies
U.S. Agency Obligations	5 years	None	None	53601(f)	Includes FNMA, FHLB, Freddie Mac, etc.
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)	Must be issued by a nationally or state-chartered bank or savings association
Non-Negotiable Certificates of Deposits	5 years	None	None	53630 et. seq.	Must be collateralized in accordance with Government Code
County Pooled Investment Funds	N/A	None	None	27133	Subject to oversight by county treasurer
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1	As set by the State Treasurer (currently \$75M per agency)

IV. OTHER INVESTMENTS

Any investment not specifically listed in Section III above but allowable under California Government Code Section 53600 et. seq. may be considered only with **prior approval of the Commission.**

V. REPORTING REQUIREMENTS

The Executive Officer, or designee, shall provide the Commission with an **Investment Report in January and July** of each calendar year. The report shall include:

- A list of all investments
- Investment type, issuer, maturity date, and amount
- Current yield or rate of return
- Confirmation of compliance with this policy
- Statement of the ability to meet anticipated cash flow needs for the next six months

End Of Policy

EXHIBIT B

Draft LAFCo Resolution #2025-XX



IMPERIAL LOCAL AGENCY FORMATION COMMISSION

August 28, 2025

RESOLUTION #2025-XX OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF IMPERIAL AUTHORIZING INVESTMENT OF FUNDS IN THE LOCAL AGENCY INVESTMENT FUND

RESOLVED, by the **Local Agency Formation Commission** of the County of Imperial, State of California, 1122 W. State Street, Suite D, El Centro, CA 92243, (760) 353-4115, that:

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Commissioners of the Imperial Local Agency Formation Commission hereby finds that the deposit and withdrawal of funds in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Imperial County Local Agency Formation Commission; and

WHEREAS, on August 28, 2025, the Commission met, discussed, and voted to authorize investment of funds in the Local Agency Investment Fund.

NOW, THEREFORE, BE IT DETERMINED, ORDERED, AND RESOLVED as follows:

The Commissioners of the Imperial County Local Agency Formation Commission authorizes the deposit and withdrawal of Imperial County Local Agency Formation Commission funds in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED as follows:

1. The following Imperial County Local Agency Formation Commission staff holding the title(s) specified herein below **or their successors in employment** are each hereby authorized to order the deposit or withdrawal of funds in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Tyler Salcido, Executive Officer

Julie Carter, Accountant

2. This resolution shall remain in full force and effect until rescinded by the Commissioners of the Imperial County Local Agency Formation Commission by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED, ADOPTED, AND APPROVED this 28th day of **August 2025**, by the Commissioners of the Imperial County Local Agency Formation Commission of the State of California, by the following roll call votes:

AYES:

NAYES:

ABSTAINED:

ABSENT:

Jesus Escobar, Chair

DRAFT