

BRAWLEY

CALIPATRIA

HOLTVILLE

WESTMORLAND



CALEXICO

EL CENTRO

IMPERIAL

IMPERIAL COUNTY

AGENDA

WEDNESDAY, JUNE 22, 2016

6:00 PM or immediately after the ICTC meeting

**County Administration Building, 2nd Floor
Board of Supervisors Chambers
940 W. Main St.
El Centro, CA 92243**

CHAIRPERSON: JAMES PREDMORE

EXECUTIVE DIRECTOR: MARK BAZA

Individuals wishing accessibility accommodations at this meeting, under the Americans with Disabilities Act (ADA), may request such accommodations to aid hearing, visual, or mobility impairment by contacting ICTC offices at (760) 592-4494. Please note that 48 hours advance notice will be necessary to honor your request.

I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS

- A. Discussion/Action of emergency items, if necessary.

III. PUBLIC COMMENTS

Any member of the public may address the Authority for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Authority. The Authority will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

IV. CONSENT CALENDAR

- A. Approval of LTA Board Draft Minutes: May 25, 2016 Page 3

V. REPORTS

- A. Executive Director Report

VI. ACTION CALENDAR

- A. Continuing Resolution for the FY 2015-16 Local Transportation Authority (LTA) Budget Page 5

It is requested that the LTA review and approve the following action after receipt of public comment, if any:

1. Authorize the Chairman to sign the continuing resolution in order to pay expenditures, of the LTA prior to the adoption of the Budget for Fiscal Year 2016-17, at the levels set by the Budget for Fiscal Year 2015-16 (adopted on June 24, 2015).

**1405 N. Imperial Ave., Suite 1, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4497**

- B. Draft Investment Policy for the Local Transportation Authority Page 7

The ICTC Management Committee met on May 11, 2016 and forward this item to the Board for review and approval after public comment, if any:

1. Review and Approve the Draft Investment Policy

VII. ADJOURNMENT

- A. Motion to Adjourn



MINUTES FOR MAY 25, 2016

VOTING MEMBERS PRESENT:

City of Brawley	George A. Nava
City of Calexico	Joong Kim
City of Calipatria	Maria Nava-Froelich
City of El Centro	Cheryl Viegas-Walker
City of Holtville	James Predmore – Chair
City of Imperial	Doug Cox – Vice Chair
City of Westmorland	Lawrence D. Ritchie
County of Imperial	Ryan Kelley
County of Imperial	Jack Terrazas
Executive Director	Mark Baza (non-voting)

STAFF PRESENT: Cristi Lerma, Michelle Bastidas, Virginia Mendoza

OTHERS PRESENT: Eric Havens: ICTC Counsel; Phil White: VTD

I. CALL TO ORDER AND ROLL CALL

Meeting was called to order by Chair Predmore at 6:58 p.m. and roll call was taken.

II. EMERGENCY ITEMS

There were none.

III. PUBLIC COMMENTS

No public comment

IV. CONSENT CALENDAR

- A. A motion was made by [Ritchie](#) and seconded by [Cox](#) to approve the April 27, 2016 Minutes for the LTA Board, **Motion Carried with 2 abstentions (Calexico and Calipatria).**

V. ACTION CALENDAR

- A. Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2015 – City of Calexico

Mr. Baza introduced the auditor, Mr. White and asked him to address the Board. Mr. White stated that the annual financial report for *fiscal year ended June 20, 2015* was completed for the City of Calexico. He stated that the Audit resulted in a clean audit opinion with 3 findings. The findings and Recommendations are listed below. It is important to note that the responses were not audited.

1. Finding #1 – Timely performance of bank reconciliation

Recommendation – Bank reconciliations be reviewed no later than 30 days

2. Finding #2 – City should have policies and procedures in place to ensure the year-end closing is performed completely, accurately and timely.

Recommendation – Strengthening procedures to ensure that the year-end close is completed on a timely basis. This can be achieved through the use of additional resources and enhanced closing processes and procedures including a comprehensive closing checklist.

3. Finding #3 – Accounts Payable

Recommendation – Strengthening policies and procedures to prevent overpayments on vendor invoices.

The Corrective Action for all “Findings” indicate that the City of Calexico has already taken substantive steps to correct each of the findings.

Therefore, it is requested that the LTA review and approve the following action after receipt of public comment, if any:

1. Receive, Approve and File the FY 2014-15 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: City of Calexico.

A motion was made by Cox and seconded by Nava-Froelich, **Motion Carried unanimously.**

VI. ADJOURMENT

Meeting Adjourned at 7:12 p.m.

Brawley

Calipatria

Holtville

Westmorland



Local Transportation Authority

Calexico

El Centro

Imperial

County of Imperial

June 17, 2016

James Predmore, Chairman
Local Transportation Authority
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

SUBJECT: Continuing Resolution for the FY 2015-16 Local Transportation Authority (LTA) Budget

Dear Members of the Authority:

The Budget for FY 2016-17 is under development; however, a detailed report is not ready to submit for approval at this time. It is anticipated that a final draft of the budget will be submitted for approval at our meeting on July 27, 2016. Attached is a continuing resolution for the interim period of time in order to meet commitments.

Therefore, it is requested that the LTA review and approve the following action after receipt of public comment, if any:

1. Authorize the Chairman to sign the continuing resolution in order to pay expenditures, of the LTA prior to the adoption of the Budget for Fiscal Year 2016-17, at the levels set by the Budget for Fiscal Year 2015-16 (adopted on June 24, 2015).

Sincerely,


fr MARK BAZA
Executive Director

Attachments

***1405 N. Imperial Ave., Suite 1, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4497***

**RESOLUTION _____ OF
THE LOCAL TRANSPORTATION AUTHORITY**

**AUTHORIZATION FOR AND APPROVING INTERIM EXPENDITURES PRIOR TO THE
ADOPTION OF THE BUDGET FOR FY 2016-2017**

WHEREAS, the LTA adopted an annual budget representing a financial plan for conducting the affairs of the LTA for the fiscal year beginning July 1, 2015 and ending June 30, 2016; and

WHEREAS, it is anticipated that the proposed operating budget and capital funds budget for fiscal year 2016-17 may not be submitted to the LTA before July 1, 2016.

WHEREAS, the proposed Budget for Fiscal Year 2016-17 includes several expenditures that must be undertaken prior to the adoption of the Budget for Fiscal Year 2016-17;

THEREFORE BE IT RESOLVED by the BOARD of the LTA hereby approves interim expenditures of the LTA prior to the adoption of the Budget for Fiscal Year 2016-17 at the levels set by the Budget for Fiscal Year 2015-16 to allow payment of routine expenses including payroll and vendor expenses at the prior year's level.

PASSED AND ADOPTED at a regular meeting of the Local Transportation Authority held on

_____.

By: _____
Chairman

ATTEST:

By: _____

CRISTI LERMA
Secretary to the Commission

BRAWLEY

CALIPATRIA

HOLTVILLE

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CALEXICO

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IMPERIAL COUNTY

June 16, 2016

James Predmore, Chair
Local Transportation Authority
1405 N. Imperial Ave., Suite 1
El Centro, CA 92243

SUBJECT: Draft Investment Policy for the Local Transportation Authority

Dear Board Members:

At the Management Committee meeting on May 11, 2016 staff presented the opportunity to invest the reserve funds for the LTA 2012 Bond Series with the firm Arbitrage Management Group. The Committee's recommendation was to consult with Bond Counsel to develop an investment policy before going any further. Staff met with Bond Counsel and has developed a Draft Investment Policy for your review and consideration to approve.

The ICTC Management Committee met on June 8, 2016 and forward this item to the Authority for their review and approval after public comment, if any:

1. Review and Approve the Draft Investment Policy

Sincerely,

A handwritten signature in blue ink that reads "Mark Baza".

MARK BAZA
Executive Director

Attachment

MB/cl

1405 N. Imperial Ave., Suite 1, El Centro, CA 92243
Phone: (760) 592-4494, Fax: (760) 592-4497

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
INVESTMENT POLICY FOR
BOND RESERVE FUNDS

_____, 2016

I. Introduction

The investment policies and practices of the Imperial County Local Transportation Authority with respect to Bond Reserve Funds are based on provisions in the Indenture between Imperial County Local Transportation Authority and The Bank of New York Mellon Trust Company, N.A., dated as of May 1, 2012, relating to Imperial County Local Transportation Authority Sales Tax Revenue Bonds (Limited Tax Bonds) (the “Indenture”).

II. Scope

It is intended that this policy cover bond reserve funds and investment of such funds under the direction of the Authority.

The investment of bond reserve funds is governed by the second paragraph of Section 5.11 of the Indenture.

Section 5.11, paragraph two provides that moneys in any Bond Reserve Fund shall be invested in Investment Securities available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee for the purposes of payment of the Bonds to which such Bond Reserve Fund relates as provided therein.

Investment Securities means any of the following:

- A. The following obligations may be used as Investment Securities for all purposes, including defeasance investments in refunding escrow accounts:
- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below);
 - (2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;
 - (3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including
 - Export-Import Bank
 - Farm Credit System Financial Assistance Corporation
 - Rural Economic Community Development Administration (formerly the Farmers Home Administration)
 - General Services Administration
 - U.S. Maritime Administration
 - Small Business Administration

- Government National Mortgage Association (GNMA)
 - U.S. Department of Housing & Urban Development (PHA's)
 - Federal Housing Administration
 - Federal Financing Bank; and
- (4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- Senior debt obligations rated “Aaa” by Moody’s and “AAA” by Standard & Poor’s issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System
 - Senior debt obligations of other Government Sponsored Agencies approved by each Credit Enhancement Provider then providing Credit Enhancement or Liquidity Provider then providing a Liquidity Facility for a Series of Bonds.
- B. The following obligations may be used as Investment Securities for all purposes other than defeasance investments in refunding escrow accounts:
- (1) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating (ratings on holding companies are not considered as the rating of the banks) on their short-term certificates of deposit on the date of purchase of “A-1” or “A-1+” by Standard & Poor’s and “P-1” by Moody’s and maturing no more than three hundred sixty (360) days after the date of purchase;
 - (2) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1” by Standard & Poor’s or “P-1” by Moody’s and which matures not more than two hundred seventy (270) days after the date of purchase;
 - (3) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by Standard & Poor’s including funds for which the Trustee or an affiliate provides investment advice or other services;
 - (4) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Standard & Poor’s and Moody’s or any successors thereto; or
 - (B) (i) which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow

may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (5) General obligations of states with a rating of at least “A2/A” or higher by both Moody’s and Standard & Poor’s;
- (6) Any investment agreement with a financial institution or insurance company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company or guarantor of which is rated) in either of the two highest long-term Rating Categories by Moody’s and Standard & Poor’s;
- (7) The Local Agency Investment Fund managed by the Treasurer of the State of California, as referred to in Section 16429.1 of the Government Code of the State but only to the extent such investment is registered in the name of the Trustee;
- (8) Shares in a common law trust, commonly referred to as CAMP, established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of the State, as it may be amended;
- (9) Any other forms of investments, including repurchase agreements, approved in writing by each Credit Enhancement Provider then providing Credit Enhancement for a Series of Bonds; and
- (10) Any other investments which meet the criteria established by applicable published investment guidelines issued by a Rating Agency then rating the applicable Series of Bonds.

III. Standard of Prudence

The standard of prudence to be used by investment officials shall be the “prudent investor” standard and shall be applied in the context of managing an overall portfolio.

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances

then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

IV. Delegation of Authority

The management responsibility for the investment of the Reserve Fund, including entering into agreements in connection therewith, is hereby delegated to the Executive Director, or designee, who shall monitor and review all investments for consistency with this investment policy. No person may engage in an investment transaction of bond reserve fund moneys except as provided in the Indenture and under the limits of this policy.

DRAFT