



September 23, 2016  
Agenda Item No. 4

**TO:** North County Library Authority (NCLA) Commission

**FROM:** Susan M. Stark, Interim Administrative Services Director City of Los Altos

**SUBJECT:** NCLA Investment Option

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### **BACKGROUND**

At the North County Library Authority's (NCLA) meeting of August 30, 2016, a discussion was raised regarding the legal possibility of co-mingling NCLA's investment monies with the City of Los Altos' investment portfolio currently managed by Public Financial Management, Inc. (PFM).

### **DISCUSSION**

Of primary concern at this juncture is the legality of co-mingling NCL's investment monies within the City's investment portfolio.

Financial considerations include any changes in potential interest income and the minor fees involved when using an investment manager such as PFM. The City currently pays approximately \$30,000 a year for the professional management of its portfolio. Estimated participation fees for NCLA would average approximately \$1,820 annually payable to the City of Los Altos. It is believed this would be offset by the anticipated increase in interest income currently projected at approximately \$5,000 per year based on NCLA's available funds to invest and PFM's current average interest earnings rate of 0.9%.

NCLA's available funds are currently invested with LAIF and earn an average of 0.7% per annum for approximately the same fees.

NCLA may also choose to appoint a Treasurer and Auditor-Controller at this time to establish an appointed person(s) authorized to withdraw and/or deposit NCLA funds with the City's investment portfolio. Section 7 of the JPA describes the officers and their duties including NCLA's authority to appoint a Treasurer / Auditor-Controller to be the depository and have custody of all the money of the NCLA from whatever source. Should the Commission wish to appoint the below noted positions at this time, Resolution No. 2016-01 is attached for adoption.

City of Los Altos Administrative Services Director  
City of Los Altos City Clerk

### **FISCAL IMPACT**

N/A

### **ATTACHMENTS**

1. Resolution No. 2016-01