REPORT

`DATE: March 6, 2008

TO: Administration Committee
Regional Council

FROM: Wayne Moore, CFO, 213-236-1804, moore@scag.ca.gov,

SUBJECT: DEPOSITARIES AND INVESTMENTS

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

Recommend that the Regional Council (RC) approve an amendment to the By-Laws authorizing the RC's designation of additional depositaries for SCAG's funds, and designating those authorized to disburse same.

BACKGROUND:

SCAG currently uses the Los Angeles County Investment Pool (LACIP) as its investment vehicle. It also maintains a checking account and a separate zero-balance payroll account, both at Bank of the West.

SCAG's Joint Powers Agreement (JPA), copy attached, states in Section 7, ***Powers of Association***, that:

> *"The Treasury of the County of Los Angeles shall be the depositary of the funds of the Association and the Treasurer of the County of Los Angeles shall be the ex-officio treasurer of the Association. The Auditor Controller of the County of Los Angeles shall be the disbursing officer of the Association and shall draw warrants against the funds of the Association in the treasury when the demands are approved by the President, Vice President, or Secretary-Treasurer of the Association, or such other persons as may be specifically designated for the purpose in the By-Laws."*

Therefore, Section 7 of the JPA limits SCAG choices with respect to checking accounts and investments. In fact, SCAG's business needs necessitated that it maintain checking and payroll accounts at Bank of the West. Also, at the December 3, 2007 Investment Subcommittee meeting, it was reported that SCAG had declined an investment opportunity at CalTRUST due to Section 7 limitations.

Consequently, the Investment Subcommittee directed staff to explore additional options for fund depositories and investments. At the meeting of February 25, 2008, the Subcommittee voted to recommend to the Administration Committee to amend the By-Laws as follows.

ANALYSIS
The JPA states at Section 1, ***Association Established***:

> *"The Association shall be subject to, and shall be governed by, the By-Laws, a copy of which is attached hereto and by this reference made a part of this agreement."*

SCAG's Chief Legal Counsel has advised that a By-Law amendment could specify additional options for the deposit and investment of SCAG's funds, and those authorized to access same. Thus, the following amendment is proposed to the By-Laws at Article VIII – ***FINANCES***, paragraph H:

> *H. Depositaries and Investments*
> *In addition to the depositary and the disbursing officer as specified in Section 7 of* ***Southern California Association of Governments Agreement****, the Regional Council may authorize additional depositaries and those authorized to disburse the Association's funds, and may specify the terms and conditions pertaining thereto.*

FISCAL IMPACT:
There will be no fiscal impact to FY08.

Reviewed by:

Division Manager

Reviewed by:

Chief Financial Officer

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS AGREEMENT

THIS AGREEMENT is made and entered into by and between the county and city governments which on its effective date are, or thereafter become signatories hereto:

WITNESSETH:

WHEREAS, there is a demonstrated need for the establishment of an association of county and city governments within the southern California area to provide a forum for discussion and study of regional problems of mutual interest and concern to the counties and cities, and to facilitate the development of recommendations for the solution of such problems; and

WHEREAS, Title I, Division 7, Chapter 5 of the Government Code of the State of California authorizes the joint exercise by agreement of two or more public agencies of any power common to them; and

WHEREAS, the parties hereto possess in common the power to study, discuss and recommend policies and procedures for the solution of area-wide problems of direct concern to the performance of their constitutional and statutory functions and to join associations and expend public funds for these purposes; and

NOW, THEREFORE, in consideration of the execution of this agreement by other counties and cities eligible to membership in the association established hereby, the parties hereto agree as follows:

1. Association Established. An association consisting of the parties to this agreement is hereby established to be known as the Southern California Association of Governments. The association shall be subject to and shall be governed by the By-Laws, a copy of which is attached hereto and by this reference made a part of this agreement.

2. Parties. Eligibility. Only those counties and cities eligible for membership in the Southern California Association of Governments pursuant to said By-Laws may be or become parties to this agreement.

3. Parties Become Members. Each party to this agreement is a member of the Southern California Association of Governments and is entitled to the rights and privileges and is subject to the obligations of members, all as provided for in said By-Laws.

4. Additional Parties. If the By-Laws of the association are amended as therein provided to permit additional counties or additional cities to be eligible for membership in the association, such additional counties or cities may become parties to this agreement.

5. Parties. Termination. Any party to this agreement may cease to be a party hereto and may withdraw from membership in the association by the adoption by its legislative body of a resolution of intention to withdraw and by giving the executive director of the association

and the other parties to this agreement written notice of its intention to withdraw at least thirty (30) days before the effective date thereof. Any party to this agreement which fails to pay any assessment or dues as provided for in the By-Laws shall be considered to have withdrawn from the association and shall cease to be a party hereto. If at any time after the effective date of this agreement fewer than fifty percent (50%) of the eligible counties or fewer than fifty percent (50%) of the eligible cities are parties to this agreement, this agreement shall terminate.

6. Agency to Administer Agreement. The Association established by this agreement shall be the agency to administer this agreement.

7. Powers of Association. The Association shall have the power, in its own name, to make and enter into contracts, to employ agents and employees, to acquire, hold and dispose of property, real and personal, to sue and be sued in its own name, and to incur debts, liabilities or obligations necessary for the accomplishment of the purposes of this agreement. However, the debts, liabilities and obligations of the association shall not constitute any debt, liability or obligation of any of the public agencies who are parties to this agreement. The Treasury of the County of Los Angeles shall be the depositary of the funds of the Association and the Treasurer of the County of Los Angeles shall be the ex-officio treasurer of the Association. The Auditor Controller of the County of Los Angeles shall be the disbursing officer of the Association and shall draw warrants against the funds of the Association in the treasury when the demands are approved by the President, Vice President, or Secretary-Treasurer of the Association, or such other persons as may be specifically designated for that purpose in the By-Laws.

8. First Budget. Not withstanding the provisions of Section B of Article VIII of said By-Laws, the budget for the remainder of the fiscal year ending June 30, 1966, shall be adopted at the first meeting of the General Assembly and the assessments for said period shall be based thereon.

9. Amendment. This agreement may be amended at any time by the written agreement of all parties to it.

10. Duration of Agreement. This agreement shall continue in effect until it is rescinded by mutual consent of the parties or terminated in the manner provided herein or in the By-Laws.

11. Disposition of Assets of Termination. Upon termination of this agreement any money or assets in possession of the association after the payment of all liabilities, costs, expenses, and charges validly incurred under this agreement shall be returned to the parties in proportion to their contributions determined as of the time of termination.

12. Effective Date of Agreement. This agreement shall be effective upon its execution by fifty percent of the eligible cities.

Executed by the undersigned cities and counties upon the respective dates set forth after their signatures.

BY:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ATTEST:

_____

December 3, 1991 DJ

(Office Use Only)

JOINT POWERS AGREEMENT

FILE NO. 113

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
APR 20 1973
EDMUND G. BROWN Jr., Secretary of State
By JAMES E. HARRIS
Deputy
(File Stamp)

INITIAL NOTICE TO THE SECRETARY OF STATE AS TO A JOINT POWERS AGREEMENT

Notice is hereby given to the Secretary of State pursuant to Sections 6503.5 or 6503.7 of the Government Code as to the existence of a joint powers agreement providing for the creation of an agency or entity which is separate from the parties to the agreement and is responsible for the administration of the agreements. The following information as to the agreement is set forth:

(a) The public agencies parties to the agreement are:

(1) see attached list

(2)

(3)

(4)

(If more space is needed, type "continued" in (4) and attach a separate sheet to this form).

(b) The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: Southern California Association of Governments

Mailing Address: Southern California Association of Governments
1111 W. 6th St. Suite 400, Los Angeles, California 90017

(c) The date upon which the agreement became effective is:

(d) A condensed statement as to the purpose of the agreement or the powers to be exercised is: To provide a forum for discussion, study and development of recommendations on regional problems of mutual interest and concern regarding the orderly physical development of the Southern California Region.

(e) Amendments, if any, state brief description: None

(f) The short title of the agreement, if any, is: None

(Signature)

RAY REMY, Executive Director
(Type name and title of signer)

INSTRUCTIONS:

1. Mail this form to Secretary of State, 111 Capitol Mall, Sacramento, California 95814.
2. Include a remittance payable to "Secretary of State" for filing fee of $5.00.
3. If additional copies of this form are sent with the original, the copies will be file-stamped and returned without additional charge.
4. Do not attach a copy of the Agreement and/or Amendments of the Agreement.