

**Golden State Finance
Authority (GSFA)
Executive Committee Meeting**



**Wednesday, February 21, 2018
11:00 A.M.**

**1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650
Sacramento, CA 95814
February 21, 2018 – 11:00 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County
Supervisor Randy Harvelt, Tuolumne County
Supervisor Rex Bohn, Humboldt County
Supervisor Matt Kingsley, Inyo County
Supervisor Bob Williams, Tehama County

Supervisor Michael Kobseff, Siskiyou County
Supervisor Aaron Albaugh, Lassen County
Supervisor Diane Dillon, Napa County
Supervisor Stacy Corless, Mono County
Supervisor Daron McDaniel, Merced County

Agenda

- I. Call to Order and Determination of Quorum**
Chair, Supervisor Kevin Cann, Mariposa County

- II. Approval of Minutes of the November 15, 2017 Meeting** **Page 1**
(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

- III. Public Comment**
At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.

- IV. Quarterly Reports for GSFA** (Discussion and possible action relative to)
*Greg Norton, Executive Director
Lisa McCargar, Chief Financial Officer*
 - a. GSFA Budget Report for the Year Ended December 31, 2017** **Page 5**
 - b. GSFA Investment Report as of December 31, 2017** **Page 9**
 - c. GSFA Liquidity Report**

- V. Business and Administrative Matters** (Discussion and possible action relative to)
*Greg Norton
Craig Ferguson, Deputy Director*
 - a. Re-Appointment of the GSFA Vice Chair – ACTION** **Page 13**
 - b. Other Business and Administrative Matters**

- VI. Program Updates** (Discussion and possible action relative to)
*Greg Norton
Craig Ferguson*
 - a. Existing Program Update**
 - b. Economic Development Update**

VII. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

**Golden State Finance Authority (GSFA)
Executive Committee Meeting
1215 K Street, Suite 1650 Board Room
Sacramento, CA 95814
(916) 447-4806**

November 15, 2017 – 10:00 a.m.

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County	Supervisor Les Baugh, Shasta County
Supervisor Randy Hanvelt, Tuolumne County	Supervisor Doug Teeter, Butte County
Supervisor Bob Williams, Tehama County	Supervisor Diane Dillon, Napa County
Supervisor Rex Bohn, Humboldt County	Supervisor Matt Kingsley, Inyo County
Supervisor John Viegas, Glenn County	Supervisor David Rogers, Madera County

Minutes

Call to Order and Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting of the Golden State Finance Authority Executive Committee to order at 10:48 a.m. A quorum was determined at that time; those present were as follows:

<u>Supervisors in Attendance</u>	<u>County</u>
Kevin Cann	Mariposa
Randy Hanvelt	Tuolumne
Bob Williams	Tehama
Rex Bohn	Humboldt
John Viegas	Glenn
Les Baugh	Shasta
Doug Teeter	Butte
Matt Kingsley	Inyo
David Rogers	Madera

Absent Members

Diane Dillon	Napa
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Staff in Attendance

Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Lisa McCargar, Controller/Chief Financial Officer

Others in Attendance

Justin Caporusso, RCRC Vice President External Affairs
Paul A. Smith, RCRC Vice President Governmental Affairs
Sarah Bolnik, RCRC Business Development
Sanjay Lee, RCRC Accountant
Elizabeth Jensen, RCRC Accountant

Robert Bendorf, Renovate America/HERO

Approval of Minutes of the July 12, 2017 Meeting

(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)

Supervisor Matt Kingsley, Inyo County, motioned to approve the minutes of the October 18, 2017 GSFA Executive Committee Meeting. Supervisor John Viegas, Glenn County, seconded the motion. Motion passed.

Public Comment

None

Closed Session:

Conference with Legal Counsel Regarding Property Assessed Clean Energy (PACE) Program Potential Litigation

The Golden State Finance Authority Executive Committee convened a closed session at 10:51 a.m. pursuant to Government Code Section 54956.9(d).

At 11:07 a.m., the closed session of the GSFA Executive Committee was adjourned. The GSFA Executive Committee was provided information, and no action was taken.

At 11:14 a.m., the GSFA Executive Committee Meeting was reconvened.

Quarterly Budget and Investment Reports for GSFA

Lisa McCargar, Chief Financial Officer, presented the Quarterly Investment Report, the Budget Report, and the Cash, Investments and Loans Receivable Report for the period ending September 30, 2017.

Disaster Assistance Update (2017 – 2018)

Greg Norton, Executive Director, reminded the GSFA Executive Committee that in the Board Approved 2017 operating budget, \$1 Million was allocated for Disaster Assistance for GSFA Member Counties. To date, \$163,000 of that money has been utilized. In the past few months, 8 of GSFA's member counties have suffered disastrous wildfires. Of the eight different counties, six of them were declared both State and Federal Disasters. The six include Napa, Nevada, Yuba, Butte, Mendocino, and Lake County. Unfortunately, while both Trinity and Calaveras County experienced major fires, neither were declared Federal and/or State Disasters.

The GSFA Executive Committee discussed the different ways that the remaining \$800K could be utilized. After a long discussion, it was decided that it would be best to see if we can distribute it equally amongst the eight-member counties. The Executive Committee asked for a legal opinion to see if GSFA can provide assistance to non-declared disasters.

GSFA Proposed 2018 Budget

Lisa McCargar reviewed the 2018 proposed budget for GSFA with the Executive Committee.

Recommendations

It is recommended that the GSFA Executive Committee approve the following recommendations and direct the GSFA Executive Director to make the same recommendations to the GSFA Board of Directors.

1. Approve the attached proposed 2018 GSFA Operating Budget.
2. Grant the GSFA Executive Director the authority to make necessary business decisions and utilize up to \$500,000 per decision outside of the approved operating budget when necessary. Such decisions will be made in consultation with the GSFA Deputy Director, the GSFA Board Chair and Vice Chair and reported back to the GSFA Board at the next available Board meeting.
3. Grant the GSFA Executive Director the authority to proceed with necessary operating decisions due to changes in opportunities, the market, the economy or changing transactional requirements to provide necessary flexibility to effectively and timely implement programs. Such decisions to be made in consultation with the GSFA Deputy Director, GSFA Chair and GSFA Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Consider and approve the lump sum contract service fee to RCRC in the amount of \$2,633,000, and estimated performance fee in the amount of \$1,750,000. These amounts include a prorated amount of the salaries for RCRC personnel who provide services to the JPA through the contract for services with RCRC, including those of the RCRC President/CEO, Vice President and Chief Financial Officer.

Supervisor Bob Williams, Tehama County, motioned to approve the recommendations listed above, and the 2018 GSFA Proposed Budget. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

GSFA Risk Assessment Progress

Greg Norton provided an update on the Executive Leadership Team's progress on the Risk Assessment of all organizations. Per the GSFA Executive Committee's request, the Executive Leadership Team have been evaluating the different departments and will be reporting back to the Executive Committee any issues that they find that would require mitigation, as well as what steps might be suggested.

Program Updates

Greg Norton and Deputy Director, provided an update on the current GSFA programs to the Executive Committee.

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 12:40 p.m.



To: GSFA Executive Committee
From: Greg Norton, Executive Director
Lisa McCargar, Controller/Chief Financial Officer
Date: February 13, 2018
Re: GSFA Budget Report For the Year Ended December 31, 2017

Summary

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the year ended December 31, 2017.

Attachment

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the year ended December 31, 2017.

GOLDEN STATE FINANCE AUTHORITY
Statement of Revenue and Expenses
Budget Vs. Actual - Unaudited
For the Year Ended December 31, 2017

	Year Ended December 31, 2017 Budget	Year Ended December 31, 2017 Actual	Variance Favorable/ (Unfavorable)	Percent Favorable/ (Unfavorable)
Income:				
Housing Program Revenue	\$ 51,055,000	\$ 69,642,951	\$ 18,587,951	36.41%
Energy Program Revenue	3,015,000	2,468,051	(546,949)	-18.14%
Grant Reimbursed Costs	300,000	265,050	(34,950)	-11.65%
Interest Income and Capital Gain/(Loss)	307,000	339,213	32,213	10.49%
Ongoing Issuer Fees	54,000	122,672	68,672	127.17%
2nd Mortgage Interest	500,000	364,511	(135,489)	-27.10%
Miscellaneous Income	-	495,660	495,660	0.00%
Total Income	\$ 55,231,000	\$ 73,698,108	\$ 18,467,108	33.44%
Expenditures:				
Accounting & Auditing	\$ 31,500	\$ 31,792	\$ (292)	-0.93%
Business Development and Expansion	100,000	57,364	42,636	42.64%
CDLAC fees	50,000	-	50,000	100.00%
Custodian/Trustee	50,000	-	50,000	100.00%
Consultants	385,000	218,786	166,214	43.17%
Contract Performance Fee	1,960,750	1,978,691	(17,941)	-0.92%
Dues, Fees & Subscriptions	30,000	30,482	(482)	-1.61%
Grant Costs	300,000	265,050	34,950	11.65%
Insurance	39,000	37,407	1,593	4.08%
Infrastructure Program	200,000	-	200,000	100.00%
Legal Services	125,000	145,207	(20,207)	-16.17%
Loan Losses	150,000	47,413	102,587	68.39%
Multi Family Bonds	10,000	322	9,678	96.78%
Gift Program	40,000,000	56,306,277	(16,306,277)	-40.77%
Grant Fund - California Disaster Assistance	1,000,000	1,000,000	-	0.00%
Pipeline Services	200,000	158,750	41,250	20.63%
DPA Program Management	2,500,000	4,667,495	(2,167,495)	-86.70%
Printing and Duplication	1,000	328	672	67.20%
Promotion and Marketing	75,000	12,089	62,911	83.88%
Rent	104,667	94,480	10,187	9.73%
Contract Support Services	2,399,000	2,399,003	(3)	0.00%
Sponsorships	50,000	97,800	(47,800)	-95.60%
Board Member Travel and Reimbursements	15,000	-	15,000	100.00%
Travel	40,000	21,098	18,902	47.26%
Other Expenses	8,000	22,823	(14,823)	-185.29%
Total Expenditures	\$ 49,823,917	\$ 67,592,657	\$ (17,768,740)	-35.66%
Net Revenues Over Expenditures	\$ 5,407,083	\$ 6,105,451	\$ 698,368	12.92%



To: GSFA Executive Committee
From: Greg Norton, Executive Director
Lisa McCargar, Controller/Chief Financial Officer
Date: February 13, 2018
Re: GSFA Investment Report as of December 31, 2017

Summary

In accordance with GSFA's investment policy, we are providing the 4th quarter investment report. This report provides a summary of investment transactions September 30, 2017 to December 31, 2017. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported 4th quarter yields. The LAIF return is the fund's 4th quarter apportionment rate.

Attachment

- GSFA Investment Report – 4th Quarter, 2017

GOLDEN STATE FINANCE AUTHORITY
Investment Report
As of December 31, 2017

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 9/30/17	\$ 19,805,779	\$ 7,523,406	\$ 12,095,815	\$ 186,558
Additions	-	-	-	
Withdrawals	-	-	-	
Interest (includes accrued)	71,079	24,079	46,434	566
Capital Gain/(Loss)	(79,735)	(7,517)	(72,218)	-
Balance 12/31/17	\$ 19,797,123	\$ 7,539,968	\$ 12,070,031	\$ 187,124

Yield:	Short Term	Mid Term	LAIF
Annualized One Year	1.18%	1.41%	1.18%
Average Maturity (days)	285	697	186
90 Day Treasury Bill Rate	1.39%		

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:
 -None



To: GSFA Executive Committee
From: Greg Norton, Executive Director
Date: February 13, 2018
Re: Re-Appointment of 2018 GSFA Vice Chair - **ACTION**

Summary

At the GSFA Board of Directors meeting on January 17, 2018, Supervisor Kevin Cann, Mariposa County, was confirmed as the 2018 GSFA Chair and Supervisor Randy Hanvelt, Tuolumne County, was confirmed as the 2018 GSFA Vice Chair.

The confirmation of Supervisor Hanvelt as GSFA Vice Chair, while also serving as RCRC First Vice Chair would result in Supervisor Hanvelt filling two Board seats on the National Homebuyers Fund Inc. Board of Directors, per the NHF Bylaws.

Section 5. e. of the NHF Bylaws states:

Designation and Term of Office; Election.

The directors of the corporation shall be the currently serving Chair, Vice Chair and President (or his or her designee) of the Rural County Representatives of California (RCRC), and the currently serving Chair and Vice Chair of the Golden State Finance Authority (GSFA). The terms of the directors shall run concurrently with the terms of such individuals in their capacity of Chair, Vice Chair, and President (or his or her designee) of RCRC and with the terms of such individuals in their capacity as Chair and Vice Chair of GSFA. If the Board is expanded, the terms of the additional board members will be established by the Board.

Section 5. c. of the NHF Bylaws states:

Number of Qualification of Directors.

The authorized number of directors shall not be fewer than five nor more than seven, the exact number to be determined by the Board.

It is recommended that another GSFA Board Member be nominated to serve as the 2018 GSFA Vice Chair for confirmation by the GSFA Board of Directors at their next meeting on March 14, 2018.

Recommendation:

It is recommended that the GSFA Executive Committee:

Approve the 2018 GSFA Vice Chair per the nomination of the RCRC Chair, and direct the GSFA Executive Director to make the same recommendation to the GSFA Board of Directors.

DELEGATE EXPENSE CLAIM

Name _____ County _____ Phone Number _____

County _____

Purpose of Trip, Details and Remarks:

Month/Year	Date	Time	LOCATION (Where Expenses Were Incurred)	LODGING			MEALS			MILEAGE POV @ \$0.54.5/ mile		TRANSPORTATION, FEE or OTHER EXPENSE		TOTAL EXPENSES
				Breakfast	Lunch	Dinner	Breakfast	Lunch	Dinner	Miles	Amount	Description of Expense	Amount	

Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.54.5 per mile. For lodging in the Sacramento area, reimbursement will include lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$128 per night. Meal allowances may not exceed \$15 for breakfast, \$15 for lunch, and \$34 for dinner without prior approval, except as noted in the Travel and Expense Policy. Receipts for ALL requested reimbursements must be attached to this expense claim.

Supervisor's Signature _____

Approved By: _____

G / L Code: 6890-01

Amount: _____

Office Use Only:

Name: _____

Address: _____

City, Zip: _____

