

**Golden State Finance
Authority (GSFA)
Board of Directors Meeting**



**Wednesday, January 15, 2020
11:00 a.m.**

**1215 K Street, Suite 1650
Sacramento, California 95814**



**Golden State Finance Authority (GSFA)
Board of Directors Meeting
Wednesday, January 15, 2020 – 11:00 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814**

AGENDA

- 1. Call to Order & Determination of Quorum**
Chair, Supervisor Kevin Cann, Mariposa County
- 2. Approval of Minutes – December 11, 2019 Board Meeting** **Page 1**
Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise
- 3. Member County Concerns**
- 4. Public Testimony**
Presentation only of any matters of concern to the general public
- 5. Appointment of the GSFA 2020 Chair and Vice Chair,
Appointment of the GSFA Authority Officers,
Appointment of the GSFA Executive Committee – ACTION** **Page 5**
Greg Norton, Executive Director
- 6. GSFA 2020 Investment Policy Renewal – ACTION** **Page 7**
Lisa McCargar, Chief Financial Officer
- 7. GSFA Resolution 20-01: Board Travel Policy - ACTION** **Page 25**
Lisa McCargar
- 8. GSFA Resolution 20-02: Acceptance of GSFA Associate
Members - ACTION** **Page 35**
Craig Ferguson, Deputy Director
- 9. GSFA Program Investment – ACTION** **Page 43**
Craig Ferguson
- 10. Program Updates**
Craig Ferguson
- 11. Economic Development Update**
Barbara Hayes, Chief Economic Development Officer
- 12. 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, please call Sarah Bolnik at (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.



Golden State Finance Authority
1215 K Street, Suite 1650 · Sacramento, California 95814
Phone: (855) 740-8422 · Fax: (916) 444-3551 · www.gsfahome.org

**Golden State Finance Authority
Board of Directors Meeting
December 11, 2019
11:00 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

MINUTES

Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting to order at 1:11 p.m. A quorum was determined at that time. Those present:

<u>Supervisor</u>	<u>County</u>
David Griffith	Alpine
Doug Teeter	Butte
Jack Garamendi	Calaveras
Denise Carter	Colusa
Gerry Hemmingsen	Del Norte
Lori Parlin	El Dorado
John Viegas	Glenn
Rex Bohn	Humboldt
Matt Kingsley	Inyo
Eddie Crandall	Lake
Aaron Albaugh	Lassen
Kevin Cann	Mariposa
Carre Brown	Mendocino
Daron McDaniel	Merced
Geri Byrne	Modoc
Stacy Corless	Mono
Diane Dillon	Napa
Dan Miller	Nevada
Jim Holmes	Placer
Anthony Botelho	San Benito
Lee Adams	Sierra
Michael Kobseff	Siskiyou
Mat Conat	Sutter
Bob Williams	Tehama
Jeremy Brown	Trinity
Kuyler Crocker	Tulare
Sherri Brennan	Tuolumne
Gary Sandy	Yolo
Randy Fletcher	Yuba

Absent

Brian Oneto	Amador
Michael Kelley	Imperial
David Rogers	Madera
Kevin Goss	Plumas
John Peschong	San Luis Obispo
Les Baugh	Shasta

Others in Attendance

Greg Norton, Executive Director
Craig Ferguson, Deputy Director
Arthur Wylene, RCRC General Counsel
Barbara Hayes, RCRC Chief Economic Development Officer
Maggie Chui, RCRC Senior Governmental Affairs Specialist
Sarah Bolnik, RCRC Economic Development Specialist
Staci Heaton, RCRC Senior Regulatory Affairs Advocate
Justin Caporusso, RCRC Vice President External Affairs
Paul A. Smith, RCRC Vice President Governmental Affairs
Mary-Ann Warmerdam, RCRC Senior Legislative Advocate
Tracy Rhine, RCRC Legislative Advocate
Lisa McCargar, RCRC Chief Financial Officer
Milena DeMelo, RCRC Controller
Leigh Kammerich, RCRC Regulatory Affairs Coordinator
John Kennedy, RCRC Legislative Advocate
Supervisor Miles Menetrey, Mariposa County
Ed Horton, Placer County Water Agency
Crystal Crawford, Ygrene Energy Fund
Randy Hanvelt, CA Associated Loggers
Jeff Thornsby, Nevada County

Approval of Minutes – August 14, 2019 Board Meeting

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

Supervisor Jim Holmes, Placer County, motioned to approve the minutes of the August 14, 2019 GSFA Board of Directors Meeting. Supervisor Dan Miller, Nevada County, seconded the motion. Motion unanimously passed.

Abstaining:

Supervisor Diane Dillon, Napa County; Supervisor Mat Conat, Sutter County; Supervisor Gary Sandy, Yolo County

Member County Concerns

None

Public Testimony

None

GSFA Resolution 19-13 Regarding Lake County Disaster Relief Extension

Lisa McCargar, Chief Financial Officer, reminded the GSFA Board of Directors about the Lake County Disaster Assistance Grants that were awarded to Lake County in 2016 after the Valley Fire. Ms. McCargar stated that due to lack of internal staff capacity, \$350,000 in funding remains unspent and is greatly needed by the residents of Lake County. It is suggested that a one-year extension be added on to the funding to help rebuild the area.

Recommendation

It is recommended that the GSFA Board of Directors review and approve GSFA Resolution 19-13 which allows a one-year extension of the remaining \$350,000 unspent disaster assistance grant funds for Lake County.

Supervisor Lee Adams, Sierra County, motioned to approve GSFA Resolution 19-03 Lake County Disaster Relief Extension. Supervisor Randy Fletcher, Yuba County, seconded the motion. Motion unanimously passed.

GSFA Quarterly Budget Report

Lisa McCargar presented the GSFA Quarterly Budget Report for the period ending September 30, 2019.

GSFA 2020 Proposed Budget

Lisa McCargar provided an overview of the 2020 GSFA proposed Budget.

Recommendations

It is recommended that the GSFA Board of Directors approve the following recommendations:

1. Approve the attached proposed 2020 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 \$5,548,000 which includes 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, RCRC Chief Financial Officer and RCRC Vice President, and estimated performance fee in the amount of \$1,629,000.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the 2020 GSFA Proposed Budget as presented. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion unanimously passed.

Business Development and Program Updates

Craig Ferguson, Deputy Director, provided an update on the business development programs as well as an update on the current housing programs offered throughout the state.

Economic Development Activity Updates

Barbara Hayes, Chief Economic Development Officer, provided an update on activities relating to infrastructure, broadband, and economic development. Ms. Hayes provided an overview of what the economic development team has been working on, as well as recent county visits that have occurred.

Ms. Hayes also provided a summary of the activities that took place at the 2020 California Economic Summit which was hosted in Fresno County in November.

Ms. Hayes also stated that in 2020 the economic development team will be working very closely with the county's economic development staff to discuss and identify infrastructure needs. Recently the RCRC governmental affairs team was able to incorporate language into legislation which allocated up to \$90 million of state funding specifically to assist rural counties with infill infrastructure. One of the goals for 2020 is to identify enough projects in member counties to encumber the entire \$90 million.

Greg Norton, Executive Director, provided an update on Golden State Natural Resources (GSNR). To date there have been two GSNR Board Meetings and one all day workshop with the GSNR Board. Another GSNR workshop has been scheduled for the first quarter of 2020. Mr. Norton noted that the IRS 501c3 has been filed for GSNR and a 20-year Master Stewardship Agreement has been signed with the United States Forest Service. Current reports and efforts in the process of being completed include Feasibility Studies, Cost Analysis, Risk Matrix, Risk Assessment and Analysis, Site Selection, and Environmental Reviews. Mr. Norton also stated that everything is moving forward in a positive manner and the GSFA Board will continue to be updated on these activities.

Adjournment

GSFA Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Board of Directors at 1:39 p.m.



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To: GSFA Board of Directors

From: Greg Norton, Executive Director

Date: January 7, 2020

Re: Appointment of 2020 Chair and Vice Chair, Appointment of the GSFA Authority Officers, Appointment of the GSFA Executive Committee - **ACTION**

Summary

GSFA Chair and Vice Chair:

Annually, the Chair and Vice Chair of the Golden State Finance Authority (GSFA) are to be elected. The JPA Agreement (Section 9. a.) states that the Board shall elect a Chair and Vice Chair from among the GSFA Delegates. Traditionally, the RCRC Chair nominates or recommends the individuals to serve as the GSFA Chair and Vice Chair. Following the nomination, the GSFA Board then considers approving the nominations by election of those individuals to the Chair and Vice Chair positions.

GSFA Authority Officers:

The JPA Agreement (Section 9. b.) further states that the President/CEO of RCRC shall serve *ex officio* as the Executive Director, Secretary, Treasurer, and Auditor of the Authority. Further, the Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. As Executive Director, I appoint the following additional Authority officers for 2020:

Deputy Director/Deputy Secretary
Controller/CFO/Assistant Secretary/Deputy Treasurer

Craig Ferguson
Lisa McCargar

GSFA Executive Committee:

Lastly, as part of the GSFA JPA Agreement, (Section 10. a.) states that "the Authority shall appoint no fewer than nine (9) and no more than eleven (11) members of its Board to serve on the GSFA Executive Committee. The Chair and Vice Chair of the Authority shall serve on the Executive Committee." It should be noted that GSFA has thirty-five member counties. Monterey County and Sonoma County, although both members of RCRC, are not full members of GSFA. The JPA Agreement calls for the Executive Committee to consist of the 9 member RCRC Executive Committee as well as the GSFA Chair and GSFA Vice Chair if they are not already members of the Executive Committee.

Recommendations:

It is recommended that the GSFA Board:

1. Elect the 2020 GSFA Chair and Vice Chair per the nomination of the RCRC Chair;
2. Confirm the appointment of the additional 2020 Authority Officers by the GSFA Executive Director as noted above;
3. Take the steps necessary to confirm the GSFA Executive Committee.



To: GSFA Board of Directors
From: Lisa McCargar, Chief Financial Officer
Date: January 7, 2020
Re: GSFA 2020 Investment Policy Renewal – **ACTION**

Summary

The Investment Committee is responsible for overseeing the investment activity of GSFA and annually presents the Investment Policy to the Board for review and approval.

Issue

The Investment Policy was last revised and approved on January 16, 2019. The Investment Committee consisting of the GSFA Executive Director, Chief Financial Officer and Deputy Director has reviewed and is submitting the policy for annual review as required.

The Investment Committee made significant revisions to the text of the policy to provide more current language as recognized by industry standards. It should be noted that while the text was updated and ordering of paragraphs within the document changed, there were no policy changes made to the authorized or suitable investments in which GSFA may invest. Revisions within the "Authorized and Suitable Investments" section reflect better descriptions of investments as defined by the Government Code.

Both a clean and tracked changes version are attached.

Recommendation

It is recommended that the GSFA Board of Directors review and approve the attached 2020 GSFA Investment Policy.

Attachments

- 2020 GSFA Investment Policy (clean)
- 2020 GSFA Investment Policy (tracked changes)

GOLDEN STATE FINANCE AUTHORITY
INVESTMENT POLICY
Adopted January ____, 2020

INTRODUCTION

The investment policies and practices of Golden State Finance Authority (GSFA) are based upon state law and other legal requirements.

SCOPE

This policy provides guidelines for and applies to the investment of all GSFA's funds including cash.

GENERAL OBJECTIVES:

The primary objectives of investment activities shall be safety, liquidity and return, in that order of priority:

1. *Safety*

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

GSFA will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which GSFA will do business in accordance with this investment policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

GSFA will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this policy.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local

government investment pools which offer same-day liquidity for short-term funds.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of tertiary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
- Unanticipated liquidity needs of the portfolio require that the security be sold.

These objectives can be accomplished through diversity of instruments to include those with active secondary markets, maturities that match expected cash needs, and the Local Agency Investment Fund (LAIF) and CalTrust which includes diverse investment portfolios and immediate withdrawal provisions. The investment objective shall be to achieve a rate of return that is commensurate with safety and liquidity requirements of the organization. Management of the Investment portfolio will be directed by the objectives of Preservation of Capital – understanding that losses may occur on individual securities; Risk Aversion - understanding that risk is present in all types of investment; and Adherence to Investment Discipline, adhering to this policy.

Subject to the safety and liquidity priorities set forth above, the portfolio's target total return should meet or exceed all of the following over a full market cycle (at least 5 years):

- California's Local Agency Investment Fund (LAIF) rate for the same period.
- The 90 day Treasury Bill rate for the same period.

Standards of Care

1. Prudence

The standard of prudence to be used shall be the "prudent investor" standard, as set forth in government Code section 53600.3, and shall be applied in the context of managing an overall portfolio. The Treasurer and other officers and employees involved in the investment process acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Such officers and employees shall disclose any material interests in financial institutions with which GSFA conducts business and shall further disclose any personal financial/investment positions that could be related to the performance of GSFA's investment portfolio. All such disclosures, and any other legally required disclosures of income, gifts, and other financial interests, shall be made in accordance with the Political Reform Act and other applicable provisions of state law. Employees and officers involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted

on behalf of GSFA.

Delegation of Authority

Authority to manage GSFA's investment program is derived from California Government Code sections 53600 et seq. and is renewed annually by actions of GSFA's Board of Directors (Board). By adoption of this investment policy, the Board delegates investment authority to the Treasurer and his or her deputies in accordance with Government Code section 53607. All functions assigned to the Treasurer under GC 53600 et seq. and this policy shall be performed by the Chief Financial Officer (CFO) as Deputy Treasurer, unless otherwise directed. The CFO/Deputy Treasurer shall act only in consultation with the Treasurer and/or Deputy Director, as set forth herein. All investments require the approval of the CFO/Deputy Treasurer and concurrence of either the Executive Director or Deputy Director, in addition to compliance with any other internal controls established in accordance with this policy. The Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall be responsible for all investment transactions undertaken and shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established as set forth herein. The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate these activities.

RESPONSIBILITY OF THE INVESTMENT CONSULTANT(S)

In the event the CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, determines to utilize an Investment Consultant, the Investment Consultant's role will be that of a non-discretionary advisor to the GSFA officers and employees involved in the investment process. Investment advice concerning the investment management of assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the CFO/Deputy Treasurer will monitor expected net cash flow requirements.

To maintain the ability to deal with unplanned cash requirements that might arise, the CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will determine the portion of assets that shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

MARKETABILITY OF ASSETS

The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, may require that all assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently, with minimal impact on market price.

AUTHORIZED AND SUITABLE INVESTMENTS

GSFA is empowered to invest in LAIF, CalTRUST and, as provided in Government Code (GC) Section 53600 et seq., to invest in the following types of securities, subject to the limitations upon quality, maturity, and portfolio percentage set forth therein:

1. Specific Authorizations

- Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including GSFA.
- Notes and other securities of GSFA affiliated companies when that note or security meets the requirements of any of the securities listed in GC Section 53601 and this policy, provided that any such transaction shall be reviewed by counsel to ensure compliance with applicable laws pertaining to conflicts of interest.

2. Cash Equivalents

- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States Government
- Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission ("Money Market Funds")
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit and other evidences of deposit at financial institutions, subject to any applicable collateralization requirements.

3. Fixed Income Securities

- U.S. Government and Agency Securities that have a liquid market with a readily determinable market value
- Medium-term Corporate Notes
- A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond ("Mortgage Backed Security")
- Treasury notes or bonds of the State of California or of any of the other 49 states.

4. Mutual Funds

- a. Shares of beneficial interest issued by diversified management companies that invest in securities as allowed in this statement ("Mutual Funds"), regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities

Collateralization:

Where required by governing legislation, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

ASSET ALLOCATION

Sections 53601 and 53601.1 of the California Government Code provide legal authorization for investment of funds of local agencies. All investments of GSFA shall conform to the restrictions of those laws and shall be consistent with prudent and conservative investment standards.

1. The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will determine the Aggregate Fund Asset Allocation (allocation) giving consideration to resources, operating needs and economic conditions. The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will monitor the allocation and take steps to balance the allocation as appropriate.
2. Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall consider rebalancing the portfolio, basing the decision, in part, on the expected length of time the portfolio will be unbalanced.
3. In order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency or particular industry should not be excessive as determined by the CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above. The total allocation to treasury bonds and notes may represent up to 100% of the aggregate bond position

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The CFO/Deputy Treasurer will maintain a list of financial institutions authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by State of California laws.

In addition, a list will also be maintained of approved security broker/dealers selected by factors that will include credit worthiness and may also include other factors, such as FINRA broker check, who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers

All financial institutions and broker/dealers who desire to be approved for providing investment services must provide the CFO/Deputy Treasurer with the following:

- Audited financial statements
- Proof of National Association of Security Dealers certification
- Trading resolution
- Proof of State of California registration
- Certification of having read GSFA's investment policy and depository contracts

An annual review of the financial condition and registrations of approved security broker/dealers utilized by GSFA will be conducted by the CFO/Deputy Treasurer.

SAFEKEEPING AND CUSTODY

1. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

2. Safekeeping

Securities will be held by an independent third-party custodian selected by the CFO/Deputy Treasurer as with all securities held in GSFA's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. *Internal Controls*

The CFO/Deputy Treasurer shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, mis-representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of GSFA.

INVESTMENT PERFORMANCE REVIEW AND EVALUATION

The CFO/Deputy Treasurer shall ensure that performance reports are compiled at least quarterly. The market value of the portfolio shall be calculated and an investment report shall be prepared at least quarterly for presentation to the GSFA Executive Committee. The report shall include the following:

- Listing of individual investments held at the end of the reporting period, showing institution, selling institution, date of maturity, amount of deposit, and current market value
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Return on investment expressed as an annual percentage rate
- Average weighted yield to maturity of portfolio as compared to applicable benchmarks
- Statement of current allocation of investments

The Investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The CFO/Deputy Treasurer will evaluate the portfolio(s) over at least a three year period.

INVESTMENT POLICY REVIEW

The investment policy shall be reviewed and approved annually by the Board of Directors in accordance with Government Code Section 53646.

GOLDEN STATE FINANCE AUTHORITY

Subject:	Class:	Number:
INVESTMENT POLICY	ACCOUNTING	A—03
	(-) Complete Revision (x) Partial Revision (-) New	Supersedes: Policy dated 12/6/17
	Approved: 1/16/2019	Date: 1/16/2019

INVESTMENT POLICY Adopted January , 2020

INTRODUCTION

The investment policies and practices of Golden State Finance Authority (GSFA) are based upon state law and provide guidelines for the prudent investment of GSFA's reserve funds as well as temporarily idle cash. The primary goals of these policies are other legal requirements.

1. ~~To safeguard the principal funds.~~
2. ~~To provide sufficient liquidity to meet normal operating expenditures and expenditures beyond the ordinary budgeted expenses.~~
3. ~~To generate investment income commensurate with the parameters of prudent risk management and consistent with the above policies.~~

SCOPE

This policy provides guidelines for and applies to the investment of all GSFA's funds including cash.

GENERAL OBJECTIVES:

The primary objectives of investment activities shall be safety, liquidity and return, in that order of priority:

1. Safety

~~Investments shall be made with judgment and care—under circumstances then prevailing—in the same manner that prudent investors, using discretion and intelligence, would exercise in the management of their own affairs when doing so for investment and not for speculation, and considering the probable safety of their capital as well as the probable income to be derived. The Investment Committee will use the “prudent investor” standard in managing GSFA's portfolio.~~

~~Investment Committee members acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and actions are taken to control adverse developments. Any deviations, once identified, should be documented and reviewed to determine whether replacing the security would be in the best interest of the organization.~~

OBJECTIVES

GSFA's investment policy shall be managed/undertaken in a manner that emphasizes/seeks to ensure the preservation of capital: in the overall portfolio. The long-term goal/objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

GSFA will minimize credit risk, which is to seek competitive returns while minimizing exposure/the risk of loss of all or part of the investment due to credit and the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which GSFA will do business in accordance with this investment policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

GSFA will minimize interest rate risk, which is the risk that the market risk-value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this policy.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated cash requirements. GSFA's objective is to diversify its portfolio by investing funds among a variety of securities offering independent returns and financial institutions. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of tertiary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
- Unanticipated liquidity needs of the portfolio require that the security be sold.

These objectives can be accomplished through diversity of instruments to include those with active secondary markets, maturities that match expected cash needs, and the Local Agency Investment Fund (LAIF) and CalTrust which includes diverse investment portfolios and immediate withdrawal provisions. The investment objective shall be to achieve a rate of return that is commensurate with safety and liquidity requirements of the organization. Management of the Investment portfolio will be directed by the objectives of Preservation of Capital – understanding that losses may occur on individual securities; Risk Aversion - understanding that risk is present in all types of investment; and Adherence to Investment Discipline, adhering to this policy.

Subject to the safety and liquidity priorities set forth above, the portfolio's target total return should meet or exceed all of the following over a full market cycle (at least 5 years):

- California's Local Agency Investment Fund (LAIF) rate for the same period.
- The 90 day Treasury Bill rate for the same period.

GOLDEN STATE FINANCE AUTHORITY

Subject:	Class:	Number:
INVESTMENT POLICY	ACCOUNTING	A-03
	(-) Complete Revision (x) Partial Revision (-) New	Supersedes: Policy dated 12/6/17
	Approved: 1/16/2019	Date: 1/16/2019

DELEGATION OF AUTHORITY

Standards of Care

1. Prudence

The standard of prudence to be used shall be the "prudent investor" standard, as set forth in government Code section 53600.3, and shall be applied in the context of managing an overall portfolio. The Treasurer and other officers and employees involved in the investment process acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Such officers and employees shall disclose any material interests in financial institutions with which GSFA conducts business, and shall further disclose any personal financial/investment positions that could be related to the performance of GSFA's investment portfolio. All such disclosures, and any other legally required disclosures of income, gifts, and other financial interests, shall be made in accordance with the Political Reform Act and other applicable provisions of state law. Employees and officers involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of GSFA.

Delegation of Authority

Authority to manage GSFA's investment program is derived from California Government Code Sections 53601 sections 53600 et seq. and 53607 and is renewed annually by annual actions of GSFA's Board of Directors (Board). The By adoption of this ~~investment policy, the Board delegates authority to the Investment Committee, GSFA Board and the Treasurer and the Treasurer~~ in accordance with Government Code section 53607. All functions assigned to the Treasurer under GC 53600 et seq. and this policy shall be performed by the Chief Financial Officer (CFO) and/or Deputy Director. The Investment Committee Treasurer, unless otherwise directed. The CFO/Deputy Treasurer shall act only in consultation with the Treasurer and/or Deputy Director, as set forth herein. All investments require the approval of the CFO/Deputy Treasurer and concurrence of either the Executive Director or Deputy Director, in addition to compliance with any other internal controls established in accordance with this policy. The Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall be responsible for all investment transactions undertaken and shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established as set forth herein. The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate these activities.

RESPONSIBILITY OF THE INVESTMENT CONSULTANT(S)

~~In the event the Investment Committee~~ In the event the CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, determines to utilize an Investment Consultant, the Investment Consultant's role will be that of a non-discretionary advisor to the Investment Committee. GSFA officers and employees involved in the investment process. Investment advice concerning the investment management of assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the ~~Investment Committee~~ CFO/Deputy Treasurer will monitor expected net cash flow requirements.

To maintain the ability to deal with unplanned cash requirements that might arise, the ~~Investment Committee~~ CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will determine the portion of assets that shall be maintained in cash or cash equivalents, including money market funds or short-term U.S. Treasury bills.

MARKETABILITY OF ASSETS

The ~~Investment Committee requires~~ The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, may require that all assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently, with minimal impact on market price.

AUTHORIZED AND SUITABLE INVESTMENTS

GSFA is empowered to invest in LAIF, CalTRUST and, as provided in Government Code (GC) Section 53601 and 53601-53600 et seq., to invest in the following types of securities, subject to the limitations upon quality, maturity, and portfolio percentage set forth therein:

1. Debt issued by GSFA Specific Authorizations

- ~~Bonds, notes, warrants, or other public agencies~~
- ~~Money market instruments~~ evidences of indebtedness of a local agency within the limitations provided in GC Section 53601. ~~this state, including GSFA.~~
- ~~Debt~~ Notes and/or other securities of GSFA affiliated companies when that ~~debt~~ note or security meets the requirements of any of the securities listed in GC -Section 53601. ~~Section 53601 and this policy, provided that any such transaction shall be reviewed by counsel to ensure compliance with applicable laws pertaining to conflicts of interest.~~

GOLDEN STATE FINANCE AUTHORITY

Subject:	Class:	Number:
INVESTMENT POLICY	ACCOUNTING	A-03
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: Policy dated 12/6/17
	Approved: 1/16/2019	Date: 1/16/2019

Allowable Assets

1.2. Cash Equivalents

- Treasury Bills
- Money Market Funds
- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States Government
- Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission ("Money Market Funds")
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit and other evidences of deposit at financial institutions, subject to any applicable collateralization requirements.

2.3. Fixed Income Securities

- U.S. Government and Agency Securities that have a liquid market with a readily determinable market value
- Medium-term Corporate Notes and Bonds
- Mortgage Backed Bonds/Securities
- A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond ("Mortgage Backed Security")
- Treasury notes or bonds of the State of California or of any of the other 49 states.

3.4. Mutual Funds

- a. Mutual Funds which Shares of beneficial interest issued by diversified management companies that invest in securities as allowed in this statement ("Mutual Funds"), regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities

Collateralization:

Where required by governing legislation, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

ASSET ALLOCATION

Sections 53601 and 53601.1 of the California Government Code provide legal authorization for investment of funds of local agencies. All investments of GSFA shall conform to the restrictions of those laws and shall be consistent with prudent and conservative investment standards.

1. ~~The Investment Committee~~The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will determine the Aggregate Fund Asset Allocation (allocation) giving consideration to resources, operating needs and economic conditions. The~~Investment Committee~~The CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, will monitor the allocation and take steps to balance the allocation as appropriate.
2. Should an investment percentage-of-portfolio limitation be exceeded due to an incident such as fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, ~~the Investment Committee~~CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above, shall consider rebalancing the portfolio, basing the decision, in part, on the expected length of time the portfolio will be unbalanced.
3. In order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency or particular industry should not be excessive as determined by ~~the Investment Committee~~CFO/Deputy Treasurer, with concurrence of the Executive Director and/or Deputy Director as set forth above. The total allocation to treasury bonds and notes may represent up to 100% of the aggregate bond position

GOLDEN STATE FINANCE AUTHORITY

Subject:	Class:	Number:	
INVESTMENT POLICY	ACCOUNTING	A-03	
	() Complete Revision (x) Partial Revision () New	Supersedes: Policy dated 12/6/17	Page: 4 of 5
		Approved: 1/16/2019	Date: 1/16/2019

ETHICS AND CONFLICTS OF INTEREST

Members of the Investment Committee shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Investment Committee members shall disclose annually any material financial interests in financial institutions that conduct business with GSFA and they shall further disclose any large personal financial/investment positions that could be related to the performance of GSFA. The annual disclosure on California Fair Political Practices Commission Form 700 will suffice to meet this requirement.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The CFO/Deputy Treasurer will maintain a list of financial institutions authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by State of California laws.

In addition, a list will also be maintained of approved security broker/dealers selected by factors that will include credit worthiness and may also include other factors, such as FINRA broker check, who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). ~~No public deposit shall be made except in a qualified public depository as established by State of California laws.~~

All financial institutions and broker/dealers who desire to be approved for providing investment services must provide the ~~Investment Committee~~ CFO/Deputy Treasurer with the following:

- Audited financial statements
- Proof of National Association of Security Dealers certification
- Trading resolution
- Proof of State of California registration
- Certification of having read GSFA's investment policy and depository contracts

An annual review of the financial condition and registrations of approved security broker/dealers utilized by GSFA will be conducted by the Chief Financial Officer ~~CFO/Deputy Treasurer~~.

SAFEKEEPING AND CUSTODY

1. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

2. Safekeeping

Securities will be held by an independent third-party custodian selected by the CFO/Deputy Treasurer as with all securities held in GSFA's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls

The CFO/Deputy Treasurer shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, mis-representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of GSFA.

INVESTMENT PERFORMANCE REVIEW AND EVALUATION

The ~~Investment Committee~~ CFO/Deputy Treasurer shall ensure that performance reports are compiled at least quarterly. The market value of the portfolio shall be calculated and an investment report shall be prepared at least quarterly for presentation to the GSFA Executive Committee. The report shall include the following:

- Listing of individual investments held at the end of the reporting period, showing institution, selling institution, date of maturity, amount of deposit, and current market value
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Return on investment expressed as an annual percentage rate
- Average weighted yield to maturity of portfolio as compared to applicable benchmarks
- Statement of current allocation of investments

GOLDEN STATE FINANCE AUTHORITY

Subject:	Class:	Number:
INVESTMENT POLICY	ACCOUNTING	A-03
	(-) Complete Revision (x) Partial Revision (-) New	Supersedes: Policy dated 12/6/17 Approved: 1/16/2019
		Page: 5 of 5 Date: 1/16/2019

The Investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Investment Committee intends to The CFO/Deputy Treasurer will evaluate the portfolio(s) over at least a three year period.

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INVESTMENT POLICY REVIEW

The investment policy shall be reviewed and approved annually by the Board of Directors in accordance with Government Code Section 53646. By adoption of this investment policy, the Board of Directors delegates investment authority to the Investment Committee (consisting of the Executive Director, Chief Financial Officer and Deputy Director) in accordance with Government Code Section 53607. Such investment authority shall include authority to invest or to reinvest funds of GSFA and to sell or exchange securities so purchased. All investments require the approval of at least two members of the Investment Committee.

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To: GSFA Board of Directors
From: Lisa McCargar, Chief Financial Officer
Date: January 7, 2020
Re: GSFA Resolution 20-01: Board Travel Policy - **ACTION**

Background

The Board Travel Expense Policy was last revised and approved on January 16, 2019. GSFA has prepared the Travel Expense Policy (GSFA Resolution 20-01) for GSFA Delegates.

Details and Proposed Changes

There is a proposed change to the attached Resolution. In Section V, "Lodging". The new proposed per-night maximum lodging expense reflects an increase to \$140 per night from \$135 per night. This change is based on the official government per diem rates (Sacramento County) as set by the General Services Administration.

In addition, Section VI, "Meals", contains the following proposed meal allowance also based on the official per diem rates for Sacramento as set by the GSA:

MEAL	PROPOSED RATE
Breakfast	\$16.00
Lunch	\$17.00
Dinner	\$34.00

The proposed meal allowance maximum reimbursements are also based on the official government per diem rates (Sacramento County) as set by the General Services Administration. The per diem rates remain unchanged from 2019.

Mileage Reimbursement

Each year, the IRS sets a rate for reimbursement of mileage for personally owned vehicles. For 2020, the standard mileage rate remains at \$0.575, down from \$0.58 in 2019. The policy indicates that reimbursement will be at the prevailing IRS rate. If the IRS publishes any update, RCRC will revise the rate to reflect the current IRS published rate.

Recommendation

It is recommended that the GSFA Board of Directors approve and adopt the proposed Board Travel Expense Policy, NHF Resolution 20-01.

Attachment

- GSFA Resolution 20-01

GSFA RESOLUTION 20-01

TRAVEL EXPENSE POLICY FOR THE GOLDEN STATE FINANCE AUTHORITY DELEGATES and ALTERNATES

WHEREAS, the Golden State Finance Authority Board of Directors needs to establish rules and regulations concerning travel, lodging and meals;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Golden State Finance Authority (GSFA) that unless otherwise provided by law, the following rules and regulations shall govern GSFA business travel by GSFA delegates.

STATEMENT OF GENERAL POLICY

- A. It is recognized that members of Boards of Supervisors are reimbursed for business expenses by their respective counties. It is the intention of GSFA to encourage involvement in GSFA business by reimbursing GSFA delegates for certain GSFA-related expenses, as described herein. Such a policy is intended to augment county reimbursement, not fully replace it.
- B. Travel is limited to only those purposes which enhance the efficient and effective operation of GSFA.
- C. GSFA Delegates traveling on GSFA-related business shall do so by the most reasonable means available, both in terms of financial costs as a primary focus and productive utilization as a secondary consideration. It is also recognized that circumstances such as the distance to be traveled and the time necessary to travel, emergency situations, inclement weather conditions, etc., are all factors which may have significant impact in determining the allowance for the cost of travel.
- D. Authority to travel and reimbursements for customary and reasonable costs incurred for such travel including meals, transportation, registration, lodging, parking and other related costs shall be in accordance with policy and procedures delineated herein.
- E. Only one voting member (either the Delegate or Alternate) representing each County per meeting will be reimbursed for Board Meeting attendance.
- F. All travel reimbursement claims must be submitted utilizing the GSFA Delegate travel claim form.

- G. In no case will a Delegate be reimbursed in an amount greater than provided in this resolution without approval of the Executive Director, Deputy Director or Vice President.
- H. Reimbursement for commercial air travel will be at "coach" class cost.
- I. Reimbursement associated with a GSFA Board Meeting or Executive Committee Meeting, attendance at the full meeting is required in order to be reimbursed.

I. TRAVEL DEFINITIONS

Travel in this policy is defined as travel that is necessary to complete GSFA business required by the organization in the performance of its primary function and/or in the course of the assigned duties. Travel for Delegates consists of roundtrip travel from their place of residence or office to attend such required events/activities.

Such travel events include, but are not limited to:

- Meetings or conferences required in the implementation or administration of new or ongoing GSFA program areas.
- Meetings, appearances or other travel necessary to conduct GSFA business requested by the Board of Directors, Chair of the Board, or GSFA Executive Director, Chief Financial Officer or Deputy Director.

II. REIMBURSABLE TRAVEL ACTIVITIES

GSFA and its Board recognize the importance of GSFA Officers and Delegates actively participating on behalf of GSFA in certain activities on GSFA business.

GSFA will reimburse for travel expenses, including transportation, meals and lodging at the levels approved in this policy, for such activities in the following circumstances:

1. The activity is either a GSFA Board or Executive Committee meeting and the attending person is an official Delegate or designated representative of GSFA.
2. The activity is official GSFA business and participation has been approved by the GSFA Executive Director, Deputy Director or Vice President for legislative or policy meetings with State Legislators, Administration, Committees, and Agencies, members of Congress, federal agencies, or similar governmental bodies. Travel outside of California will require the approval of the GSFA Officers, the GSFA Executive Director, Chief Financial Officer or Deputy Director.

3. The activity is a conference or a necessary meeting in which GSFA has been invited to participate, and relates to subjects of interest to GSFA, as determined by the GSFA Board, the GSFA Executive Director, Chief Financial Officer or Deputy Director and the person designated to attend makes a report to GSFA regarding his or her activities on behalf of GSFA.
4. The participation of the GSFA Officers and Delegates is designated as official GSFA business by the GSFA Executive Director, Chief Financial Officer or Deputy Director.
5. The travel, lodging and meal expenses are in connection with the activities described above, and are not for personal or non-official purposes, such as entertainment or tourist related activities organized as part of a conference.

Reimbursements shall be made only upon supporting invoices, receipts and bills consistent with appropriate GSFA policies.

Notwithstanding the above, in no event shall GSFA make reimbursement for lavish expenses for travel, lodging or meals; provided, however, that if the prevailing levels of lodging expenses exceed prevailing per diem levels, GSFA may reimburse for such expenses upon a determination of the GSFA Executive Director, Chief Financial Officer or Deputy Director that the location, prevailing costs of lodging, or business necessity required more expensive lodging or meals.

III. LICENSE, INSURANCE REQUIREMENTS AND MEANS OF TRAVEL

Licenses - All GSFA Delegates operating any vehicle used in the performance of GSFA-related business must possess a valid driver's license. All GSFA Delegates flying/piloting their own or a rented aircraft in the performance of GSFA-related business must possess a valid and proper license.

Insurance Requirements - Any Delegate who uses their personal vehicle, rental vehicle or government vehicle for travel on GSFA-related business shall carry insurance for personal injury or property damage at or above state mandated minimum levels at that time. Delegates not in compliance with these minimum standards shall not be authorized to drive their personal vehicle, rental vehicle or government vehicle on GSFA business. If requested, Delegate is required to provide proof of licensing and insurance.

Any Delegate flying/piloting an aircraft for travel on GSFA-related business shall carry comprehensive liability insurance coverage in the minimum amount of \$1,000,000 prior to their using the aircraft to conduct GSFA business. Delegates not in compliance with these requirements shall not be authorized to fly their own or a rented aircraft on GSFA business. If requested, Delegate is required to

provide proof of licensing and insurance. GSFA's Liability and Excess Liability policies exclude aircraft.

IV. MILEAGE CALCULATION AND REIMBURSEMENT

Mileage Calculation - Roundtrip mileage is to be calculated from the Delegate's principal place of employment or home to the destination. Any special circumstances which inflate the normal mileage should be accompanied by an explanation in the expense claim and are subject to denial.

Mileage Reimbursement Rate - Authorized private vehicle usage for GSFA business travel will be reimbursed at the rate allowed under prevailing Internal Revenue Service rules and regulations as maintained by GSFA.

Aircraft Travel - GSFA Delegate's use of a private aircraft will be reimbursed at the same rate as that allowed by the Internal Revenue Service for a private automobile as stated under "Mileage Reimbursement Rate" or at the cost of commercial air travel.

Other Forms of Travel - GSFA Delegate's choosing to utilize another form of travel, such as train or other transit, shall be reimbursed at the same rate as if travel occurred as addressed in the Statements of General Policy. Item C. states GSFA Delegates traveling on GSFA-related business shall do so by the most reasonable means available, both in terms of financial costs as a primary focus and productive utilization as a secondary consideration. Item H states that Reimbursement for commercial air travel will be at "coach" class cost.

V. LODGING

Hotel Allowance - Delegates should seek the lowest cost accommodation reasonably available for the intended travel. For lodging in the Sacramento area, GSFA will reimburse lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$140 per night. If GSFA has arranged a block of rooms for the event and the cost of the room within that block is greater than \$140, GSFA will reimburse the cost of the room at the block rate. Delegates are charged with using reasonable care and judgment regarding whether overnight accommodations are required for their participation.

Guidelines regarding the need for overnight accommodations are as follows:

- For a two-day meeting/event when one-way travel from place of residence or office to the meeting/event is more than 75 miles or if travel will take more than 1 to 1 ½ hours;
- For a one-day meeting/event when one-way travel from place of residence or office is more than 150 miles or if travel will take longer than 2 hours; or
- In circumstances when the delegate needs to remain in Sacramento to participate at a GSFA associated event that will end later than 6:30 pm or in an early meeting the following morning.

- When participation in GSFA business requires arrival the night before for a meeting in Sacramento that begins at 8:00 am or earlier.

For accommodation reimbursement associated with a GSFA Board Meeting or Executive Committee Meeting, attendance at the full meeting is required in order to be reimbursed.

Transient Occupancy Tax - Occupancy tax can sometimes be waived by the motel/hotel dependent upon local regulation. Delegates traveling should always inquire about an exemption when appropriate.

VI. MEALS

Meal Allowances- Meal allowances will be reimbursed at the following rate; Receipts must be provided:

- | | |
|-------------|---------|
| • Breakfast | \$16.00 |
| • Lunch | \$17.00 |
| • Dinner | \$34.00 |

Delegates will not be reimbursed for meals if the cost of a meal is included in the conference fee either reimbursed or paid directly by GSFA. Delegates will not be reimbursed for meals that are provided at GSFA events or meetings.

Mealtimes - Delegates are charged with using reasonable care and judgment in regard to reimbursements. Reasonable times are generally considered to be departure prior to 7:00 a.m. for breakfast and return to residence after 6:00 p.m. for dinner.

Meal Limitations - Reimbursement will not include alcoholic beverages regardless of meal type or captive nature. Gratuities are capped at 15% of the cost of the meal.

Captive Meal - Captive refers specifically to those instances where a Delegate must/should participate in a dining event as part of an agenzized event. Required group meetings, gatherings or functions for which meal allowances will be claimed for breakfasts, luncheons or dinners and which are of a captive nature shall be reimbursed at actual cost even though it exceeds those amounts set forth under Meal Allowances. Expense claims for meals at such meetings, gatherings or functions (captive meals) will state the captive nature of the meal for which the expense claim is being presented.

Fixed Prices - When attendance at official meetings or conventions forces fixed prices, the claimant must list the items separately on the claim form as "Official Banquet" or other such language and the amount thereof. In this event, all such items will be supported by receipts verifying such charges. If supporting

documents are not obtainable, then a statement to this effect will be made by the claimant. The GSFA Executive Director or Deputy Director, reserves the right to deny any undocumented expenses.

VII. EXPENSE DOCUMENTATION

Receipt Requirements - Receipts must be provided for reimbursable expenses including the following:

- All lodging expenses paid at actual cost. There is \$140 per night maximum in the Sacramento area, inclusive of room rate, taxes and fees.
- All meal expenses
- Registration fees (only if not prepaid by GSFA)
- Telephone calls related to GSFA business in excess of \$2.50 per trip
- Fax charges for GSFA related business in excess of \$2.50 per trip
- Taxi/Rideshare/Bus fare in excess of \$5.00 per travel period
- Car Rental
- Air Travel (use ticket stub or electronic itinerary)
- Other common carrier (use ticket stub)
- Commuter bus fare (i.e. Airporter service)
- Toll Charges in excess of \$6.00
- "Captive Meal" and "Fixed Prices" as described in Section VI (a written explanation of circumstances and approval by the GSFA Executive Director, Chief Financial Officer or Deputy Director.)
- Parking, at standard parking rates for City visited

VIII. NON-REIMBURSABLE PERSONAL EXPENSE

Personal Expense - Any and all expenses that are for the direct personal needs of the Delegate, except as otherwise identified as reimbursable under this document, are not reimbursable by GSFA. Examples of such non-reimbursable items are listed below. This is not intended to be an all-inclusive list.

- Personal telephone calls, internet charges and personal fax transmissions
- Alcoholic Beverages (Except as provided in connection with an GSFA business related meeting or event)
- Entertainment (including related transportation costs)
- Violations of legal requirements

IX. CLAIM PROCESS

Completed claim forms are to be submitted to GSFA within thirty (30) days after the completion of the trip/expense. Failure to adhere to the filing deadline may result in the denial of the reimbursement claim

The claim form must include the purpose of the trip/expense, and the inclusive dates. All expenditures must be itemized, and all claims will include receipts for expenses as detailed earlier under the section titled **EXPENSE DOCUMENTATION**.

The claim information must include all expenses of the trip whether they were paid directly to a vendor. The claim form is intended to be a recap of the complete trip as a reconciliation of all expenses and a central location for all receipts. Those items paid in advance or by credit card should be noted.

Secretary's Certificate

I certify that the foregoing is a true and accurate description of action taken at a properly constituted meeting of the Board of Directors of the Golden State Finance Authority on January 15, 2020.

Secretary's Signature



To: GSFA Board of Directors
From: Craig Ferguson, Deputy Director
Date: January 7, 2020
Re: GSFA Resolution 20-02: Acceptance of GSFA Associate Members -
ACTION

Summary

As required per the Golden State Finance Authority (GSFA) JPA Agreement, GSFA Resolution 20-02 is to approve the acceptance of current associate members.

This resolution ratifies all current GSFA associate members and restates the process by which new GSFA associate members are accepted by the Authority. Resolution 20-02 is presented to the GSFA Board of Directors as part of the annual process regarding associate members of GSFA.

The GSFA Joint Exercise of Powers Agreement (dated as of November 1, 2019) allows associate members to be added to GSFA "pursuant to action by the Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board." GSFA Resolution 20-02 allows the GSFA Board to fulfill all Board responsibilities of governance required in the Joint Exercise of Powers Agreement by documenting the process by which the Authority accepts associate members.

This resolution also authorizes the Executive Director to approve or deny associate members to join GSFA under additional specific terms and conditions so long as these terms and conditions are not inconsistent with the terms and conditions of the JPA Agreement that allow them to join GSFA.

The current list of GSFA members and associate members (attached) is provided for the Board of Directors' ratification. Currently GSFA membership includes thirty-five regular member counties. Additionally, GSFA membership includes twenty-one associate member counties, two hundred fifty-nine associate member cities and one associate member joint powers authority.

Updates will be provided at future GSFA Board of Directors meetings on the status of membership and associate membership as appropriate.

Recommendations

It is recommended that the GSFA Board of Directors:

1. Review, Approve, and Adopt GSFA Resolution 20-02;
2. Ratify the current list of member counties and associate members per the attached list.

Attachments

- GSFA Resolution 20-02
- GSFA Member and Associate Member List

GSFA RESOLUTION NO. 20-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF GOLDEN STATE FINANCE AUTHORITY REGARDING THE ACCEPTANCE OF ASSOCIATE MEMBERS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, counties, cities and other specified entities are permitted to join, for the express purpose of the joint exercise of the powers of said counties, cities and entities, agencies created by a joint powers agreement entered into by pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California; and

WHEREAS, Chapters 1-5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") authorize joint powers agencies established by cities and counties to incur indebtedness for the purpose of financing activities authorized by the Act, and the Act provides a complete additional and alternative method for doing the things authorized thereby; and

WHEREAS, numerous rural counties in the State of California have agreed, and additional counties, cities and joint powers agencies may agree, pursuant to the provisions of the Government Code referenced above, to cooperate and participate in a financing program and have entered into a Joint Exercise of Power Agreement, dated as of November 1, 2019, as amended (the "Agreement"), creating the Golden State Finance Authority (the "Authority") and authorizing the Authority to exercise its powers pursuant to the Act for the purpose of authorized financing, as well as participate in other authorized programs; and

WHEREAS, the Agreement provides that Associate Members may be added to the Authority upon the affirmative approval of their respective governing boards and pursuant to action by the Authority's Board upon such terms and conditions, and with such rights, privileges, and responsibilities, as may be established from time to time by the Board; and

WHEREAS, the Authority desires to ratify all current associate members and to clarify the terms by which new associate members may be added.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors the Authority:

Section 1. Recitals. All of the above recitals are true and correct, and the Authority so finds and determines.

Section 2. Acceptance and Ratification of Associate Members. The Authority hereby ratifies the appointment of all of its current associate members, as shown on Exhibit A, which is attached hereto and incorporated herein by this reference.

Section 3. New Associate Members. The Authority authorizes the Executive Director to approve or deny any entity that desires to become an associate member, provided that any condition agreed upon with respect to proposed new associate members is not inconsistent with any other term and condition specified in the Agreement. At the first available Authority Board Meeting and at least annually after an associate member's governing board has taken action to become an associate member, the Executive Director shall notify the Authority of the new associate member.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED APPROVED AND ADOPTED by the Board of the Golden State Finance Authority, the 15th day of January 2020.

GOLDEN STATE FINANCE AUTHORITY

2020 GSFA Chair of the Board

I certify that the foregoing resolution is a true and accurate copy of GSFA Resolution 20-02 approved by the governing board of the Golden State Finance Authority on January 15, 2020 in Sacramento, California.

Date: 1/15/2020

Assistant Secretary



MEMBERS

Alpine County	Lassen County	San Luis Obispo County
Amador County	Madera County	Shasta County
Butte County	Mariposa County	Sierra County
Calaveras County	Mendocino County	Siskiyou County
Colusa County	Merced County	Sutter County
Del Norte County	Modoc County	Tehama County
El Dorado County	Mono County	Trinity County
Glenn County	Napa County	Tulare County
Humboldt County	Nevada County	Tuolumne County
Imperial County	Placer County	Yolo County
Inyo County	Plumas County	Yuba County
Lake County	San Benito County	

ASSOCIATE MEMBERS

Alameda County	Orange County	San Mateo County
Contra Costa County	Riverside County	Santa Barbara County
Fresno County	Sacramento County	Santa Cruz County
Kern County	San Bernardino County	Solano County
Kings County	San Diego County	Sonoma County
Marin County	San Francisco County	Stanislaus County
Monterey County	San Joaquin County	Ventura County

ASSOCIATE MEMBER JOINT POWERS AUTHORITY (JPA)

Independent Cities Finance Authority (ICFA)

ASSOCIATE MEMBER CITIES

Adelanto (San Bernardino County)	Arcata (Humboldt County)
Alameda (Alameda County)	Atwater (Merced County)
Aliso Viejo (Orange County)	Avenal (Kings County)
Alturas (Modoc County)	Azusa (Los Angeles County)
American Canyon (Napa County)	Bakersfield (Kern County)
Anaheim (Orange County)	Baldwin Park (Los Angeles County)
Angels Camp (Calaveras County)	Beaumont (Riverside County)
Antioch (Contra Costa County)	Bell (Los Angeles County)
Apple Valley (San Bernardino County)	Bellflower (Los Angeles County)



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ASSOCIATE MEMBER CITIES (continued)

Belmont (San Mateo County)	El Monte (Los Angeles County)
Belvedere (Marin County)	El Segundo (Los Angeles County)
Benicia (Solano County)	Elk Grove (Sacramento County)
Berkeley (Alameda County)	Encinitas (San Diego County)
Blue Lake (Humboldt County)	Escondido (San Diego County)
Blythe (Riverside County)	Eureka (Humboldt County)
Brea (Orange County)	Fairfax (Marin County)
Brentwood (Contra Costa County)	Fairfield (Solano County)
Brisbane (San Mateo County)	Farmersville (Tulare County)
Buena Park (Orange County)	Ferndale (Humboldt County)
Burlingame (San Mateo County)	Firebaugh (Fresno County)
Calabasas (Los Angeles County)	Folsom (Sacramento County)
Calexico (Imperial County)	Fontana (San Bernardino County)
Camarillo (Ventura County)	Fort Bragg (Mendocino County)
Campbell (Santa Clara County)	Fortuna (Humboldt County)
Carlsbad (San Diego County)	Foster City (San Mateo County)
Carson (Los Angeles County)	Fountain Valley (Orange County)
Cathedral City (Riverside County)	Fowler (Fresno County)
Ceres (Stanislaus County)	Fremont (Alameda County)
Chico (Butte County)	Fresno (Fresno County)
Chino (San Bernardino County)	Galt (Sacramento County)
Chula Vista (San Diego County)	Garden Grove (Orange County)
Citrus Heights (Sacramento County)	Gardena (Los Angeles County)
Claremont (Los Angeles County)	Gilroy (Santa Clara County)
Clovis (Fresno County)	Glendale (Los Angeles County)
Coachella (Riverside County)	Glendora (Los Angeles County)
Coalinga (Fresno County)	Grover Beach (San Luis Obispo County)
Colma (San Mateo County)	Gustine (Merced County)
Colton (San Bernardino County)	Hanford (Kings County)
Compton (Los Angeles County)	Hawthorne (Los Angeles County)
Concord (Contra Costa County)	Hayward (Alameda County)
Corcoran (Kings County)	Hesperia (San Bernardino County)
Corning (Tehama County)	Highland (San Bernardino County)
Corona (Riverside County)	Hughson (Stanislaus County)
Coronado (San Diego County)	Huntington Beach (Orange County)
Costa Mesa (Orange County)	Huntington Park (Los Angeles County)
Crescent City (Del Norte County)	Huron (Fresno County)
Cudahy (Los Angeles County)	Imperial Beach (San Diego County)
Cupertino (Santa Clara County)	Indian Wells (Riverside County)
Danville (Contra Costa County)	Indio (Riverside County)
Del Mar (San Diego County)	Inglewood (Los Angeles County)
Dinuba (Tulare County)	Ione (Amador County)
Dixon (Solano County)	Irwindale (Los Angeles County)
Dos Palos (Merced County)	Jackson (Amador County)
Duarte (Los Angeles County)	Kingsburg (Fresno County)
Dublin (Alameda County)	La Habra (Orange County)
Dunsmuir (Siskiyou County)	La Mesa (San Diego County)
El Cajon (San Diego County)	La Mirada (Los Angeles County)
El Cerrito (Contra Costa County)	La Puente (Los Angeles County)

ASSOCIATE MEMBER CITIES (continued)

La Quinta (Riverside County)	Paradise (Butte County)
Lafayette (Contra Costa County)	Paramount (Los Angeles County)
Laguna Beach (Orange County)	Petaluma (Sonoma County)
Lake Forest (Orange County)	Pinole (Contra Costa County)
Lakewood (Los Angeles County)	Pismo Beach (San Luis Obispo County)
Lancaster (Los Angeles County)	Pittsburg (Contra Costa County)
Larkspur (Marin County)	Placerville (El Dorado County)
Lathrop (San Joaquin County)	Pleasant Hill (Contra Costa County)
Lemon Grove (San Diego County)	Pleasanton (Alameda County)
Lemoore (Kings County)	Plymouth (Amador County)
Livingston (Merced County)	Point Arena (Mendocino County)
Lomita (Los Angeles County)	Porterville (Tulare County)
Long Beach (Los Angeles County)	Poway (San Diego County)
Los Angeles (Los Angeles County)	Rancho Cordova (Sacramento County)
Los Banos (Merced County)	Rancho Cucamonga (San Bernardino County)
Lynwood (Los Angeles County)	Rancho Mirage (Riverside County)
Madera (Madera County)	Redding (Shasta County)
Malibu (Los Angeles County)	Redondo Beach (Los Angeles County)
Mammoth Lakes (Mono County)	Redwood City (San Mateo County)
Manhattan Beach (Los Angeles County)	Reedley (Fresno County)
Manteca (San Joaquin County)	Rialto (San Bernardino County)
Martinez (Contra Costa County)	Richmond (Contra Costa County)
Mill Valley (Marin County)	Rio Dell (Humboldt County)
Milpitas (Santa Clara County)	Riverbank (Stanislaus County)
Mission Viejo (Orange County)	Riverside (Riverside County)
Montebello (Los Angeles County)	Rolling Hills Estates (Los Angeles County)
Montclair (San Bernardino County)	Sacramento (Sacramento County)
Moorpark (Ventura County)	Salinas (Monterey County)
Moreno Valley (Riverside County)	San Anselmo (Marin County)
Morgan Hill (Santa Clara County)	San Bernardino (San Bernardino County)
Morro Bay (San Luis Obispo County)	San Diego (San Diego County)
Mount Shasta (Siskiyou County)	San Fernando (Los Angeles County)
Napa (Napa County)	San Francisco (San Francisco County)
National City (San Diego County)	San Jacinto (Riverside County)
Nevada (Nevada County)	San Jose (Santa Clara County)
Newark (Alameda County)	San Leandro (Alameda County)
Newport Beach (Orange County)	San Luis Obispo (San Luis Obispo County)
Norwalk (Los Angeles County)	San Marino (Los Angeles County)
Novato (Marin County)	San Mateo (San Mateo County)
Oakland (Alameda County)	San Rafael (Marin County)
Oakley (Contra Costa County)	San Ramon (Contra Costa County)
Oceanside (San Diego County)	Sanger (Fresno County)
Orland (Glenn County)	Santa Ana (Orange County)
Oroville (Butte County)	Santa Clara (Santa Clara County)
Oxnard (Ventura County)	Santa Cruz (Santa Cruz County)
Pacifica (San Mateo County)	Santa Fe Springs (Los Angeles County)
Palm Desert (Riverside County)	Santa Monica (Los Angeles County)
Palm Springs (Riverside County)	Santee (San Diego County)
Palmdale (Los Angeles County)	Sausalito (Marin County)



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ASSOCIATE MEMBER CITIES (continued)

Seaside (Monterey County)	Union City (Alameda County)
Sebastopol (Sonoma County)	Upland (San Bernardino County)
Selma (Fresno County)	Vacaville (Solano County)
Shasta Lake (Shasta County)	Vallejo (Solano County)
Simi Valley (Ventura County)	Ventura (Ventura County)
Solana Beach (San Diego County)	Victorville (San Bernardino County)
South Lake Tahoe (El Dorado County)	Vista (San Diego County)
South San Francisco (San Mateo County)	Walnut (Los Angeles County)
South Gate (Los Angeles County)	Walnut Creek (Contra Costa County)
Stanton (Orange County)	Waterford (Stanislaus County)
Stockton (San Joaquin County)	Watsonville (Santa Cruz County)
Suisun City (Solano County)	Weed (Siskiyou County)
Taft (Kern County)	West Covina (Los Angeles County)
Tehama (Tehama County)	West Hollywood (Los Angeles County)
Thousand Oaks (Ventura County)	West Sacramento (Yolo County)
Tiburon (Marin County)	Westminster (Orange County)
Torrance (Los Angeles County)	Williams (Colusa County)
Tracy (San Joaquin County)	Willits (Mendocino County)
Trinidad (Humboldt County)	Willows (Glenn County)
Truckee (Nevada County)	Yreka (Siskiyou County)
Tustin (Orange County)	Yucca Valley (San Bernardino County)
Twentynine Palms (San Bernardino County)	Yucaipa (San Bernardino County)
Ukiah (Mendocino County)	



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To: GSFA Board of Directors
From: Craig Ferguson, Deputy Director
Date: January 7, 2020
Re: GSFA Program Investment - **ACTION**

Summary

GSFA continues to pursue efforts to enhance the existing down payment assistance (DPA) program/s. The board previously approved up to \$10MM of existing resources toward an investment into its DPA program. As discussed at the prior board meeting, the program is proving to be very successful and therefore it would be beneficial to request additional existing resources to continue the success of the program.

It is requested that GSFA commit an additional \$10MM of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s. The second mortgages will be structured as 0% rate, repayable at sale or refinance of the property, or forgiven after a certain period.

GSFA would be investing resources into program/s that originally generated these resources. Reinvestment of these resources is in line with GSFA's mission and public purpose. Further, with origination, the pricing structure and controls are expected to generate resources sufficient to provide a reasonable return on investment and to protect the investment while meeting GSFA's mission to assist homebuyers.

Recommendation

It is recommended the GSFA Board of Directors approve an additional commitment of up to \$10MM of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s.

Phone Number

Name _____

[illegible]

Supervisor's Signature

Mail Payment To:

City, Zip:

Amount:

