

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Chairman John Tavaglione & Treasurer Paul McDonnell

SUBMITTAL DATE:
September 9, 2003

SUBJECT: Membership in CalTrust, a Joint Powers Authority.

RECOMMENDED MOTION: That the Board of Supervisors approves the attached resolution which allows our membership in CalTrust, a Joint Powers Authority.

BACKGROUND: The California State Association of Counties (CSAC) has sponsored the formation of an investment fund to provide counties and other public agencies with an additional investment vehicle. Many counties and public agencies invest a portion of their funds with the State Treasurer via the Local Agency Investment Fund (LAIF). The creation of this fund provides additional diversification in a managed funds structure to local government.

(Continued on page 2)

FORM APPROVED
COUNTY COUNSEL

SEP 02 2003

BY *[Signature]*

[Signature]
John Tavaglione
2nd District Supervisor

[Signature]
Paul McDonnell
Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

County Executive Office Signature

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

Prev. Agn. Ref.:

District:

Agenda Number:

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The CSAC Finance Corporation has sponsored the Joint Powers Authority, CalTrust, open to any California local agency for the purpose of pooling assets for investing. Section 6502 of Title 1, Division 7, Chapter 5 of the California Government Code (the "Joint Exercise of Powers Act") provides that "if authorized by their legislative or other governing bodies, two or more Public Agencies by agreement may jointly exercise any power common to the contracting parties." In this case, the common power to be exercised jointly is the ability to invest funds pursuant to California Government Code § 53601 and 53635.

CSAC has a solid track record of developing financial programs for the benefit of its members. For example, its Pooled TRAN (Tax and Revenue Note) program has been an attractive option for Riverside County. This latest offering was developed in conjunction with key leaders of the California Association of County Treasurer Tax Collectors.

At this juncture, we are requesting approval of our membership, with subsequent approval for specific authority to invest in CalTrust to be requested, once the rating agencies and the County Investment Oversight Committee have reviewed the proposal.

There is no cost to the County to become a member of CalTrust.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING
THE [INSERT NAME OF PUBLIC AGENCY] (THE "PUBLIC AGENCY")
TO JOIN WITH OTHER PUBLIC AGENCIES
AS A PARTICIPANT OF THE
INVESTMENT TRUST OF CALIFORNIA,
CARRYING ON BUSINESS AS CalTRUST, TO PURCHASE
SHARES OF THE TRUST AND CERTAIN OTHER MATTERS

WHEREAS, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "Joint Exercise of Powers Act") provides that, if authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties; and

WHEREAS, under Section 6500 of the Joint Exercise of Powers Act, a "public agency" includes, but is not limited to, the federal government or any federal department or agency, the State of California, another State or any State department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of the State of California or another State, or any joint powers authority formed pursuant to the Joint Exercise of Powers Act; and

WHEREAS, public agencies which constitute local agencies, as that term is defined in Section 53630 of Title 5, Division 2, Part 1, Chapter 4, Article 2 of the Government Code of the State of California (the "California Government Code"), are authorized pursuant to Section 53601 and/or 53635 thereof to invest all money belonging to, or in the custody of, the local agency in certain specified investments; and

WHEREAS, the Investment Trust of California, carrying on business as CalTRUST (the "Trust") was established, pursuant to and in accordance with the Joint Exercise of Powers Act, by a Declaration of Trust, dated as of January 9, 2003 and as amended and restated as of June 3, 2003 (the "Declaration of Trust"), as a vehicle for public agencies to jointly exercise their common power to invest funds in accordance with applicable California law governing the investment of funds by public agencies; and

WHEREAS, pursuant to and in accordance with the Joint Exercise of Powers Act, the Public Agency desires to join the other public agencies which are or will be Participants of the Trust by adopting and executing the Declaration of Trust, a form which has been presented to this meeting; and

WHEREAS, the Public Agency is a public agency as that term is defined in the Joint Exercise of Powers Act and a local agency as that term is defined in Section 53630 of the California Government Code;

WHEREAS, the Public Agency is otherwise permitted to be a Participant of the Trust and to invest funds in the Trust to be managed by the Investment Adviser to the Trust, notwithstanding other investments held by the Public Agency or current investment policies or other restrictions or limitations that otherwise may be in effect for the Public Agency so long as

the Trust invests in securities and other instruments permitted for investment by public agencies pursuant to applicable California law; and

WHEREAS, there has been presented to this meeting an Information Statement describing the Trust (the "Information Statement");

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Public Agency (the "Governing Body") as follows:

Section 1. The Public Agency shall join with other public agencies pursuant to and in accordance with the Joint Exercise of Powers Act by executing the Declaration of Trust and thereby becoming a Participant in the Trust, which Declaration of Trust is hereby approved and adopted, notwithstanding other investments held by the Public Agency or current investment policies or other restrictions or limitations that otherwise may be in effect for the Public Agency so long as the Trust invests in securities and other instruments permitted for investment by public agencies pursuant to applicable California law. A copy of the Declaration of Trust shall be filed with the minutes of the meeting at which this Resolution was adopted. The [Treasurer/principal financial officer] is hereby authorized to execute in the name and on behalf of the Public Agency the Declaration of Trust in substantially the form presented at this meeting.

Section 2. The Public Agency is hereby authorized to purchase shares in the Trust from time to time with available funds of the Public Agency, and to redeem some or all of those shares from time to time as such funds are needed, notwithstanding other investments held by the Public Agency or current investment policies or other restrictions or limitations that otherwise may be in effect for the Public Agency so long as the Trust invests in securities and other instruments permitted for investment by public agencies pursuant to applicable California law.

Section 3. The [Treasurer/principal financial officer] appropriate officers, agents and employees of the Public Agency are hereby authorized and directed in the name and on behalf of the Public Agency to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, including the account registration and participation agreement, which they, or any of them, might deem necessary or appropriate in order to accomplish the purposes of the Trust or this Resolution.

Section 4. The [Treasurer/principal financial officer] of the Public Agency is hereby authorized and directed in the name and on behalf of the Public Agency to take all actions and to make and execute any and all instruments, which he or she might deem necessary or appropriate in order to carry out the purposes of the Trust or this Resolution, including, without limitation, the authority to extend the maturity of any investments made pursuant to this Resolution in accordance with applicable California law and the authority to consent as a Participant of the Trust to actions requested in connection with the Declaration of Trust.

Section 5. Nothing contained in this Resolution shall be deemed to infringe upon the right of the Public Agency or the Governing Body or [Treasurer/principal financial officer] of the Public Agency to make other investments outside of the mandate of this Resolution in accordance with applicable California law to the fullest extent permitted thereunder.

Section 6. The Clerk or Secretary of the Public Agency shall forward a certified copy of this Resolution and a copy of the executed signature page to the Declaration of Trust to:

Metropolitan West Securities, LLC
1303 J Street, Suite 410
Sacramento, CA 95814
Attention: CalTRUST Service Center

Section 7. This Resolution shall take effect at the earliest date permitted by law.

PASSED AND ADOPTED at a [regular/special] meeting of the Governing Body of the Public Agency, State of California on ____ day of _____, 200_, by the following vote:

AYES:

NOES:

ABSENT:

By: _____
(Name)

(Title)

ATTEST:

By: _____
(Name)

(Title)