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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 24, 1980

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUN 25 1980

Redevelopment Agency of the City  
of Sacramento  
Housing Authority of the City  
of Sacramento  
915 I Street  
Sacramento, CA 95814

CITY GOVERNING BOARD  
PHILLIP L. ISENBERG, MAYOR  
LLOYD CONNELLY  
BLAINE H. FISHER  
THOMAS R. HOEBER  
DOUGLAS N. POPE  
JOHN ROBERTS  
LYNN ROBIE  
ANNE RUDIN  
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Report on Transfer of SHRA Investment Function  
to the City Treasurer's Office

## SUMMARY

COUNTY GOVERNING BOARD  
ILLA COLLIN  
C. TOBIAS (TOBY) JOHNSON  
JOSEPH E. (TED) SHEEDY  
SANDRA R. SMOLEY  
FRED G. WADE

Pursuant to Budget & Finance and City Council actions taken in June 1979, arrangements have been made to transfer the SHRA investment operation to the City Treasurer's Office on July 1, 1980. This report is informational.

EXECUTIVE DIRECTOR  
WILLIAM G. SELINE

## BACKGROUND

P.O. Box 1834  
SACRAMENTO, CA 95809  
630 I STREET  
SACRAMENTO, CA 95814  
(916) 444-9210

Because of the advantages in both efficiency and better rates of return that can be realized by both the SHRA and the City through the increase in money volume by pooling SHRA funds with those of the City, it was suggested last year that the SHRA investment function be transferred to the City Treasurer's Office. The transfer was scheduled originally for October 1, 1979. However as a result of the Associate Investment Officer position authorized in July 1979 for the City Treasurer's Office not being filled until mid-February 1980 and the initial operational problems encountered by City Treasury staff in bringing the "Moneymax" system on line, the transfer date was postponed to July 1, 1980.

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SACRAMENTO REDEVELOPMENT AGENCY  
Date 7/1/80

The Executive Director of the SHRA, who is also the Treasurer for the SHRA entities, will retain those responsibilities that are legally required of him. The City Treasurer will be delegated the responsibility of actual investment of idle SHRA funds and will render numerous periodic reports, through the Moneymax system, so that all parties will be

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SACRAMENTO HOUSING AUTHORITY  
Date 7/1/80

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kept properly informed. The City Finance Director will have a role in the process as well by maintaining an accounting of SHRA funds received from or returned to the SHRA. His accounting must at all times be in agreement with records of the City Treasurer's Office and those of the SHRA. SHRA staff will forward idle funds by wire transfer to the City Treasurer's Office as they become available, with a forecast of the SHRA's future need for funds as to time and amount. When funds are needed, the Executive Director (acting as SHRA Treasurer) or his delegate will make the request, and the City Treasurer will then release the funds to the SHRA, through a simple transfer from the City's bank account to the SHRA's bank account. Interest income will be added to the funds of the SHRA on deposit with the City and will be reinvested until needed.

SHRA staff familiar with the SHRA's many accounts will be trained in the use of the Moneymax so that the proper input will be made, resulting in monthly reports that should have a high level of accuracy. Moneymax will automatically apportion interest earnings to the various SHRA accounts, a task now manually performed. This should result in some time savings for the SHRA. Moneymax will also render a summary of fund activity monthly and a report on investments outstanding.

Two "pools" will be maintained for the SHRA by the City Treasurer's Office, one for those funds that are subject to federal investment restrictions and another for funds that are subject only to state law restrictions as to investment vehicles. The Finance Director of the SHRA will initially and periodically advise the City Treasurer's Office of the federal investment restriction.

## FINANCIAL DATA

At April 30, 1980, the Agency had invested \$14,583,169 in Redevelopment Agency funds, \$3,734,777 in City Housing funds, and \$2,764,327 in County Housing funds, for a total of \$21,082,273. All but \$1,000,000 of this will be turned over to the City Treasurer's Office, in part on July 1, 1980, and the rest as currently-held investments mature. The \$1,000,000 will remain with the Bank of America, Del Paso Heights Branch, so long as the SHRA has investment funds. This commitment was made in 1970 at a time when the Redevelopment Agency was soliciting several local banks to establish a branch in Del Paso Heights in order to fill a vital need in that community. The Bank of America was the only bank to respond to the Agency's pleas, and their branch is still the only bank in Del Paso Heights. Its operating history is marginal at best, and the bank has recently informed us that our deposit is critical to its continued existence.

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In addition to the foregoing funds, bond or other trustee accounts held \$391,289 of SHRA funds and \$1,082,438 of rehabilitation loan and grant funds. None of these funds is subject to investment by either the SHRA or the City Treasurer.

At the present time the City Treasurer has established two separate investment pools for the various City funds. One of these pools contains the short-term investment for all City funds other than the Restricted Enterprise Funds which comprise the other pool. In total these City investment pools have averaged approximately \$50 million and \$20 million respectively for FY 1979-80. The transfer of the SHRA investment function to the City Treasurer's Office will result in four separate investment pools that would approximate \$90 million in various short-term investments under direct management by the City Treasurer's Office.

## RECOMMENDATION

It is recommended that you accept this report.

  
\_\_\_\_\_  
BEVELRY CZOBEREK  
Assistant Director-Finance, SHRA

  
\_\_\_\_\_  
THOMAS FRIERY  
City Treasurer

  
\_\_\_\_\_  
JACK R. CRIST  
Finance Director-City of Sacramento

TRANSMITTAL TO COUNCIL:

  
\_\_\_\_\_  
WALTER J. SLUPE  
City Manager

Contact Person: Beverly Czoberek