



CITY COUNCIL STAFF REPORT

MEETING DATE: May 6, 2020

PREPARED BY: Dat Nguyen, Finance Director
APPROVED BY: City Manager

ADOPT RESOLUTION APPROVING REVISIONS TO CITY COUNCIL POLICY CP-94-04, THE CITY'S INVESTMENT POLICY

RECOMMENDATION(S)

Adopt resolution approving revisions to City Council Policy CP-94-04, the City's Investment Policy.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities

Financial Sustainability

REPORT NARRATIVE:

Best practices in municipal finance recommend investment policies be reviewed annually or at a minimum, the internal treasury staff should conduct a review annually. An update in the investment policy is warranted if staff's review results in a material change in policy due to either a change in statute or a change in the City's investment objectives. Finance continues to monitor changes to the California Government Code regarding investment parameters and allowable investments that may impact the City's investment policy. The redlined version of the City's investment policy is attached for review and approval (Attachment 2). The proposed changes to the investment policy would expand the allowable investment to include certificate of deposits, capping at the maximum Federal Deposit Insurance Corporation (FDIC) legal limit amount per FDIC-insured institution, currently at \$250,000. Expanding the list of allowable investments would allow the City more options as we look to increase the City portfolio's short-term returns while maintaining the City's investment objectives of safety, liquidity, and yield.

COMMUNITY ENGAGEMENT: Inform

Finance periodically renders to City Council for review and approval any changes to the investment policy at a public meeting. In addition, the City's investment policy is available on the City's website.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council approved the last revision to its investment policy in July 2016.

FISCAL AND RESOURCE IMPACT:

Updating and maintaining the City's investment policy is a part of the Finance Department's on-going work-plan. There is no additional cost associated with the approval of the Investment Policy.

CEQA (California Environmental Quality Act):

Not a Project.

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Resolution - Investment Policy 2020
2. Exhibit A: Investment Policy - redline version 2020