



Legislation Details (With Text)

File #: 21-0192 **Version:** 1
Type: Consent - Staff Report **Status:** Agenda Ready
In control: City Council Regular Meeting
On agenda: 11/2/2021 **Final action:**
Title: Adoption of Annual Investment Policy for Fiscal Year 2021-2022 and Delegation of Responsibility for Investing Funds to the City Treasurer (Finance Director Charelian).
ADOPT

Sponsors:

Indexes:

Code sections:

Attachments: 1. Investment Policy for Fiscal Year 2021-2022

Date	Ver.	Action By	Action	Result
11/2/2021	1	City Council Regular Meeting		

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director

Libby Bretthauer, Financial Services Manager

SUBJECT:

Adoption of Annual Investment Policy for Fiscal Year 2021-2022 and Delegation of Responsibility for Investing Funds to the City Treasurer (Finance Director Charelian).

ADOPT

RECOMMENDATION:

The Finance Subcommittee and City staff recommend that the City Council adopt the Fiscal Year (FY) 2021-2022 Investment Policy and continue the existing delegation of responsibility for investing funds to the City Treasurer.

FISCAL IMPLICATIONS:

There are no fiscal implications from the recommended action.

BACKGROUND:

The City's adopted Financial Policies state the Finance Subcommittee and City Council shall annually review and update, as appropriate, the City's Investment Policy. Furthermore, the Investment Policy shall be adopted by the City Council based upon the Finance Subcommittee's recommendations.

The Finance Subcommittee reviewed and approved the FY 2021-2022 Investment Policy at their October 18, 2021, meeting in advance of the City Council's review.

DISCUSSION:

The City's current Investment Policy was reviewed by the City's investment brokers and City staff, taking into consideration current laws and regulations, and changing market conditions. City staff also reviewed Investment Policy Certification Program guidelines issued by the California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers of the United States and Canada (APT US&C).

Two changes have been made in accordance with current guidelines and best practices:

1. The Local Agency Investment Fund (LAIF) maximum deposit limit has been increased from \$65 million to \$75 million per updated State guidelines.
2. A ratings minimum of was added for Negotiable Certificates of Deposit above the FDIC Insurance Limit of \$250,000. The ratings minimum of "Aaa to A1 (Moody's) or AAA to A+ (Standard and Poor's)" mirrors the ratings minimum already approved for Medium-Term Notes.

The changes, as presented, were reviewed and approved by the Finance Subcommittee for recommendation to the full City Council.

Delegation of Investment Authority to the City Treasurer

Pursuant to the California Government Code Section 53607, the legislative body (City Council) of the local agency may invest funds of the local agency or delegate that responsibility to the Treasurer of the local agency. The Treasurer assumes full responsibility for all investment transactions and makes a monthly report of those transactions to the legislative body until the delegation is revoked or expired. The legislative body may renew the delegation of authority each year.

The City Council has previously delegated Investment Authority to the City Treasurer, most recently in September 2020. Staff recommends that the City Council renew that delegation of responsibility for FY 2021-2022. This recommendation, if accepted, continues the long-standing City Council delegation of authority to the City Treasurer that is vital to the efficient operation of the City's treasury management.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

ATTACHMENT:

1. Investment Policy for Fiscal Year 2021-2022