



Legislation Text

File #: 17-0277, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Bruce Moe, Finance Director

Libby Bretthauer, Financial Analyst

SUBJECT:

Adoption of Annual Investment Policy for Fiscal Year 2017-2018 and Delegation of Responsibility for Investing Funds to the City Treasurer (Finance Director Moe).

APPROVE

RECOMMENDATION:

The Finance Subcommittee and City Staff recommend that the City Council approve the 2017-2018 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 that the City Council shall annually review, and modify as appropriate, the City's investment policy. The Finance Subcommittee reviews and approves the policy in advance of Council review and adoption, which they did at their June 15, 2017 meeting.

DISCUSSION:

The City's current Investment Policy was reviewed by the City's investment brokers, as well as City staff. A number of changes to the policy were identified based on current laws, regulations or changing market conditions. Furthermore, 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) were reviewed. Many of the proposed changes are in accordance with recommendations and best management practices provided by these respected organizations.

These changes as presented were reviewed and approved by the Finance Subcommittee for recommendation to the full City Council. All changes are presented in redline format in Attachment #1. A clean version (no redlines) is also included as Attachment #2.

Delegation of Investment Authority to the City Treasurer

Pursuant to the California Government Code 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, who 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 December 2016. City staff recommends that the City Council renew that delegation of responsibility for FY 2017-2018. 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.

CONCLUSION:

The Finance Subcommittee and City Staff recommend that the City Council approve the 2017-2018 Investment Policy and continue the existing delegation of responsibility for investing funds to the City Treasurer.

Attachments:

1. Investment Policy for 2017-2018 (Red-Lined Version)
2. Investment Policy for 2017-2018 (Clean Version)