



Item Number: 4

City Council / Board of Directors

Consent Calendar

Meeting of: August 16, 2022

Submitted By:

John Mendiola, Finance Director / City Treasurer

Subject:

Annual Review of the City's Investment Policy

Recommendation:

That the City Council review and file the attached Investment Policy CP-15-01.

Fiscal Impact:

There is no fiscal impact associated with this item.

Background:

The City's Investment Policy shall be reviewed each year by the City Council to ensure its consistency with respect to the overall objectives of safety, liquidity, and yield. Proposed amendments to this policy may be prepared by the City Treasurer and shall be forwarded to the City Council for consideration.

Discussion:

The Investment Policy is intended to outline the objectives and guidelines for the City to invest public funds in a prudent manner, which will provide the maximum security while meeting the daily cash flow needs. City investments are made in accordance with the California Government Code that governs the investment of public funds. Within these legal guidelines, the three primary objectives of the City's Investment Policy are: safety, liquidity, and rate of return. The City continues to abide by the highest professional standards in the management of public funds. In accordance with the City's Investment Policy, the City Council shall review the Investment Policy annually with respect to the overall objectives of safety, liquidity, and return. Proposed amendments to this policy will be prepared by the City Treasurer. The last revision to the Investment Policy was submitted to Council on January 20, 2015.

Below is a summary of the City's investment performance for the last five fiscal years and the average yield of the five fiscal years. A large portion of the City's funds are held in

Local Agency Investment Fund (LAIF) accounts and are classified as cash since the City can access these funds at any time. The majority of the funds held in the Trustee Accounts are reserve funds for the City's bond issuances and are required to be held with the trustee until the bond final maturity date. The detail of these investments can be found in the Quarterly Investment Reports submitted to City Council. Staff is available to answer any questions the City Council may have.

Average Annual Yield Past 5 Fiscal Years & 5-Year Average						
Investment Type	Fiscal Year:					5-Year Avg
	2017/18	2018/19	2019/20	2020/21	2021/22	
LAIF/Bank Accounts (Cash)	1.24%	2.10%	1.71%	0.54%	0.34%	1.19%
Trustee Accounts (Bond Reserve Funds)	1.37%	2.14%	0.85%	0.13%	0.48%	0.99%

Attachments: A. Investment Policy CP-15-01