



## Staff Report

**TO:** City Council  
**FROM:** Jeff Mohlenkamp, Finance Director  
Jennifer Ustation, Senior Accountant  
**DATE** September 15, 2020  
**SUBJECT: Adoption of the City of Beaumont Investment Policy**

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### **Background and Analysis:**

City Staff has completed a draft investment policy for review and consideration of adoption. The City's Finance and Audit Committee will be reviewing this document and making any suggestions of modifications on the September 14, 2020, committee meeting.

The purpose of this policy is to ensure the City maximizes a return on investments while strictly adhering to State law, which limits the types of investments cities can make. Further, the investment policy lays out investment objectives, which in priority order are:

1. Safety of principal and preservation of capital,
2. Meeting liquidity requirements, and
3. Yield on investment.

The proposed investment policy provides for standards of care, public trust, ethics and conflict of interest disclosures to ensure all investments considered by the City meet these high standards.

The policy provides for a list of available types of investments. A number of these investments may require some proactive monitoring and active management. In any of these situations, the policy provides that the City will engage one or more investment advisors to directly assist City staff in these efforts for a professional opinion and guidance. In this regard, the policy provides for a process to secure the services of any expert(s) engaged to provide these services.

The policy provides that the City Manager and his designee the Finance Director will be responsible for managing the investments of the City.

The policy provides that the City Treasurer will provide a report quarterly to the Finance and Audit Committee. The report will include a description of the investment portfolio, including an assessment of whether all investments comply with the City policy.

The policy requires an annual review by the Finance and Audit Committee and City Council to ensure it continues to meet the needs of the City.

This policy was developed through review of the prior policy, significant evaluation of other California city policies, a review of GFOA standards and several internal meetings.

**Fiscal Impact:**

There is no fiscal impact to this action of the City Council.

**Recommended Action:**

Review the policy, including any proposed revisions by the Finance and Audit Committee and adopt the investment policy.

**Attachments:**

- A. Proposed Beaumont Investment Policy
- B. California Local Agency Investment Guidelines