
Finance Committee

DEPARTMENT: Finance Department
FROM: Harlan Jefferson, Deputy City Manager
MEETING: March 4, 2024

SUBJECT:

Receive a report, hold a discussion, and provide staff direction regarding the City's current investment process. (*Staff Contact: Harlan Jefferson, Deputy City Manager*)

SUMMARY:

During the February 7, 2024, Finance Committee meeting, the Committee made the request to discuss the City's current investment strategy. Investment advisory services are provided by Valley View Consulting, L.L.C. that include the review of the investment policy and consider eligible options. Model cash flows to identify the following:

- Outflow months
- Review current market conditions and consider strategies
- Organize investment provider rate solicitations
- Facilitate settlements
- Provide monthly and quarterly investment reports
- Monitor portfolio and strategy performance

RECOMMENDATION:

Discuss the merits of the current investment strategy and review recommendations from Valley View Consulting, L.L.C., which is as follows:

- Limit cash and pool balances
 - Utilize higher yielding MMA's
- Maintain investment ladder
 - Invest now that tax revenue is collected
 - Place investments to match your cash flow needs
 - Can utilize fewer investments in larger blocks if needed

- Market has likely hit its peak and rates expected to fall
 - Strategy shifts to extending your ladder to lock-in longer term rates
 - Match investment maturities with cash flow needs of the City
 - Maintain investment routine

PRIOR ACTION/INPUT (Council, Boards, Citizens):

At the February 7, 2021, Finance and Internal Services Committee meeting, (current Finance Committee) the Committee recommended the the use of Investment Advisory Services from Valley View Consulting, L.L.C.

At the June 21, 2021, regular Council meeting, Council approved Valley View Consulting, L.L.C., for Investment Advisory Services for a period of 2 years.

At the August 7, 2023, regular Council meeting, Council approved Valley View Consulting, L.L.C., for investment Advisory Services for a period of 2 years.

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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