

Capitola City Council

Agenda Report



Meeting: June 13, 2024

From: Finance Department

Subject: City Investment Policy

Recommended Action: Approve the City's Administrative Policy Number III-1, Investment Policy as recommended by the Finance Advisory Committee.

Background: California Government Code §53630 et seq. contains State requirements for the deposit of City funds. Government Code §53635 requires that all money belonging to, or in the custody of, a local agency be deposited in certain allowable instruments. The current Investment Policy was approved by the City Council on August 9, 2001, by adoption of Resolution No. 3149, affirming the City's Investment Policy. This resolution was then incorporated into the City's Administrative Policies. California Government Code requires a city to annually review its investment policy.

Discussion: The California Debt and Investment Advisory Committee annually updates the Local Agency Investment Guidelines which lists the allowable investment options for local public agencies. The City's Investment Policy states that the investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council.

Understanding the order of importance, the investment policy shall:

1. Provide for the safety of the funds
2. Assure the liquidity of the funds
3. Acquire earnings of the funds

At the May 21, 2024, Finance Advisory Committee regular meeting, the committee reviewed the investment policy and recommended confirming it without any changes.

Staff has reviewed the investment policy for several other similarly sized cities and the proposed policy is consistent with the approach taken in those cities. In addition, the City's auditors review the Investment Policy and Investment Portfolio as part of their annual audit to ensure compliance with all state laws and regulations.

Fiscal Impact: None.

Attachments:

1. Administrative Policy Number III-1, Investment Policy

Report Prepared By: Report Prepared By: Jim Malberg

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager