

Capitola City Council

Agenda Report



Meeting: June 9, 2022

From: Finance Department

Subject: Consider the City Investment Policy

Recommended Action: Confirm 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 17, 2022, Finance Advisory Committee (FAC) Regular Meeting, the committee reviewed the investment policy and recommended confirming it without any changes. The City's current Investment Policy and Investment Portfolio comply with all applicable state laws.

Fiscal Impact: None

Attachments:

1. Administrative Policy Number III-1, Investment Policy

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Chloé Woodmansee, City Clerk

Approved By: Jamie Goldstein, City Manager