



**STAFF REPORT**  
**6/10/2026**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Lincoln Bogard, Interim City Manager  
**PREPARED BY:** Lincoln Bogard, Finance Director  
**SUBJECT:** **Annual Investment Policy Update – Fiscal Year 2026-27**

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**STAFF RECOMMENDATION:**

That the City Council adopt Resolution No. 2026-35 approving and adopting the City of Coachella Statement of Investment Policy for Fiscal Year 2026-27, and delegating investment authority to the City Treasurer pursuant to California Government Code Section 53607.

**EXECUTIVE SUMMARY:**

California Government Code Section 53607 requires the City Council to annually delegate investment authority to the City Treasurer for a one-year period, and Government Code Section 53646 encourages local agencies to adopt an annual Statement of Investment Policy. The Finance Department has reviewed the City's current Investment Policy and is recommending revisions for Fiscal Year 2026-27 that align the policy with current State law and improve operational efficiency. The proposed changes include: (1) updating the LAIF investment limit to defer to current LAIF-established guidelines in lieu of a fixed \$75 million cap; (2) extending the maximum maturity for commercial paper investments from 270 to 397 days; (3) removing the 40% per-issuer limit for Federal Agency securities; (4) updating the County Pool investment limit to defer to the County's permitted amount; (5) changing the investment reporting frequency from monthly to quarterly, with reports due within 45 days of quarter close; and (6) formally designating the Finance Director as the City Treasurer's Authorized Designee for day-to-day investment operations, reflecting that the City Treasurer is an elected official who does not participate in the City's daily investment activities.

**BACKGROUND:**

California Government Code Section 53607 authorizes the City Council to delegate the authority to invest and reinvest City funds to the City Treasurer for a one-year period. Government Code Section 53646 encourages the legislative body of a local agency to annually adopt a Statement of Investment Policy consistent with applicable California law governing the investment of public funds.

The City of Coachella has historically adopted an annual Statement of Investment Policy to govern the prudent investment of idle City funds. The policy establishes authorized investment types, diversification limits, maturity constraints, safekeeping requirements, and reporting obligations. The current policy was adopted by the City Council on June 11, 2025, for Fiscal Year 2025-26.

### **DISCUSSION/ANALYSIS:**

The Finance Department has reviewed the current Investment Policy and is proposing the following revisions for Fiscal Year 2026-27. A redlined version of the full policy showing all proposed changes is attached for the City Council's reference.

- 1. LAIF Investment Limit (Sections 8.0 and 12.0).** The current policy caps investment in the State Treasurer's Local Agency Investment Fund (LAIF) at \$75 million. The proposed revision removes this fixed dollar cap and instead defers to the maximum investment amount as established and permitted by LAIF under current State Treasurer guidelines. This change ensures the City's policy remains current with any future adjustments made by the State Treasurer's Office without requiring a separate policy amendment.
- 2. Commercial Paper Maximum Maturity (Sections 8.0 and 12.0).** The current policy limits commercial paper maturities to a maximum of 270 days. The proposed revision extends this limit to 397 days, consistent with California Government Code Section 53601(h), which permits local agency investments in commercial paper with maturities up to 397 days. This change provides the City with additional flexibility to pursue potentially higher yields on longer-duration commercial paper while remaining within statutory limits.
- 3. Federal Agency Per-Issuer Limit (Section 12.0).** The diversification table has been updated to remove the 40% per-issuer concentration limit for Federal Agency securities. There is no such per-issuer restriction in Government Code Section 53601, and its removal aligns the policy with statutory authority. The general 5% per-issuer limit applicable across all other investment types continues to apply.
- 4. County Pool Investment Limit (Section 12.0).** The current policy specifies a maximum of \$10 million in the Riverside County Pooled Investment Fund. The proposed revision removes this fixed cap and defers to the investment amount permitted by the County. This provides the City with greater flexibility and eliminates the need to amend the policy if the City wishes to invest amounts above the prior limit.
- 5. Investment Reporting Frequency (Section 17.0).** The current policy requires the City Treasurer to prepare and deliver a monthly investment report to the Mayor and City Council no later than 30 days after the close of each month. The proposed revision changes the reporting requirement to quarterly, with reports due no later than 45 days after the close of each fiscal quarter. Government Code Section 53646 does not mandate monthly reporting; a quarterly cadence reduces administrative burden while continuing to provide the City Council with regular, meaningful oversight of the City's investment portfolio.
- 6. Designation of Finance Director as Authorized Designee (Section 5.0).** The City Treasurer is an elected official who does not participate in the City's day-to-day investment operations. To ensure clear operational authority, the proposed revision formally designates the Finance Director as the City Treasurer's Authorized Designee for purposes of this Investment Policy. The Finance Director is thereby authorized to conduct investment transactions, execute wire transfers and safekeeping agreements, prepare and deliver investment reports, and otherwise carry out the daily functions of the investment

program consistent with this policy and Government Code Section 53607. The City Treasurer retains all statutory authority and oversight responsibilities as the elected official to whom investment authority is delegated by the City Council.

**ALTERNATIVES:**

1. Adopt Resolution No. 2026-35 approving and adopting the City of Coachella Statement of Investment Policy for Fiscal Year 2026-27 as presented. This is the staff-recommended alternative.
2. Adopt Resolution No. 2026-35 approving and adopting the Statement of Investment Policy for Fiscal Year 2026-27 with modifications as directed by the City Council.
3. Do not adopt the resolution. The City's FY 2025-26 Investment Policy would remain in effect; however, this action would not satisfy the annual delegation of investment authority required under Government Code Section 53607 and could limit the City Treasurer's authority to conduct investment transactions.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with the adoption of this Investment Policy. The proposed changes are intended to provide greater investment flexibility and reduce administrative burden, which may allow the City to achieve marginally improved investment returns over time.

**RECOMMENDED ALTERNATIVE(S):**

Staff recommends Alternative 1 – adoption of Resolution No. 2026-35 approving the City of Coachella Statement of Investment Policy for Fiscal Year 2026-27 as presented, and delegation of investment authority to the City Treasurer pursuant to Government Code Section 53607.