



STAFF REPORT
5/13/2020

TO: Honorable Mayor and City Council Members

FROM: Nathan Statham, Finance Director

SUBJECT: Annual Investment Policy Update:

SPECIFICS:

- a) Resolution No. 2020-25 a Resolution of the City Council of the City of Coachella
- b) Resolution No. WA-2020-05, a Resolution of the Coachella Water Authority
- c) Resolution No. SD-2020-02, a Resolution of the Coachella Sanitary District
- d) Resolution No. FD-2020-01, a Resolution of the Coachella Fire Protection District
- e) Resolution No. CBL-2020-01, a Resolution of the Coachella Education and Government Access Cable Channel Corporation

STAFF RECOMMENDATION:

- a) Approve Resolution No. 2020-25, a Resolution of the City Council of the City of Coachella, California to Amend and Reestablish the Investment Policy Originally Adopted July 9, 2003 and Amended Annually by the City Council for fiscal year 2020-2021.
- b) Approve Resolution No. WA-2020-05, a Resolution of the Board of Directors of the Coachella Water Authority, Coachella, California to Amend and Reestablish the Investment Policy Originally Adopted July 9, 2003 and Amended Annually by the Authority Board for fiscal year 2020-2021.
- c) Approve Resolution No. SD-2020-02, a Resolution of the Board of Directors of the Coachella Sanitary District, Coachella, California to Amend and Reestablish the Investment Policy Originally Adopted July 9, 2003 and Amended Annually by the District Board for fiscal year 2020-2021.
- d) Approve Resolution No. FD-2020-01, a Resolution of the Board of Directors of the Coachella Fire Protection District, Coachella, California to Amend and Reestablish the Investment Policy Originally Adopted July 9, 2003 and Amended Annually by the District Board for fiscal year 2020-2021.

- e) Approve Resolution No. CBL-2020-01, a Resolution of the Board of Directors of the Coachella Educational and Governmental Access Cable Channel Corporation, Coachella, California to Amend and Reestablish the Investment Policy Originally Adopted July 9, 2003 and Amended Annually by the Corporation Board for fiscal year 2020-2021.

BACKGROUND:

The California Government Code, City and Agency Resolutions, and their respective Investment Policies require that their respective Investment Policies be updated, reviewed and then filed with the legislative body on an annual basis. This is a request to reestablish the investment policy currently in effect as adopted on April 10, 2019. The City and its related agencies have been following the current investment policy as adopted July 9, 2003 and as amended on an annual basis.

Staff requested that PFM Asset Management review our existing investment policy and recommend changes to assure that the City’s policy is comprehensive and remains compliant with all applicable California Government Code statutes regulating the investment of public funds. The recommended changes are outlined and explained in the attached memo from PFM.

Staff also included policy updates in the following four sections:

Section 2.0 – The terms Trust and Agency were replaced with Fiduciary in referring to the fund type. This change was implemented for consistency with Government Accounting Standards Board Pronouncement 84.

Section 10.0 – Wording was clarified in the second paragraph of the section to reflect procedures currently performed by the City’s independent external auditors.

Section 12.0 – Wording was clarified to reflect maximum maturities allowed by California state law.

Section 13.0 – Wording was clarified to reflect procedures currently performed by the City’s independent external auditors.

FISCAL IMPACT:

There is no fiscal impact as part of this action.

EXHIBITS:

1. Coachella Investment Policy Approved April 2019
2. Recommended Coachella Investment Policy 2020-2021
3. PFM Memo of Recommended Changes
4. Investment Policy Resolution City 2020-25
5. Investment Policy Resolution Water 2020-05

6. Investment Policy Resolution Sanitary 2020-02
7. Investment Policy Resolution Fire 2020-01
8. Investment Policy Resolution Cable 2020-01