



CITY COMMISSION STAFF REPORT

DEPARTMENT: Finance

DATE: April 9, 2024

SUBJECT: Discussion and possible action on Updating the Investment Policy, Changing the Bank Operating Account and Transferring funds to institutions providing higher rates of return. - **Finance**

CITY MANAGER RECOMMENDATION:

The City Manager requests the Commission's approval to direct the City's CFO to update the City's investment policy, change the City's operating account bank, and transfer funds to institutions providing the highest rates of return.

BACKGROUND OF ITEM:

1. The City is not adhering to its Investment Policy approved by the Commission in 2018.
2. The Portfolio Composition, maturity dates, and issuer limits need updating.
3. The City has invested funds with banks that are producing low rates of return.
4. The bank that the City uses for its operation account is not providing the City with interest on funds held more than funds needed to cover the monthly analysis fee.

ANALYSIS:

The recommended changes aim to ensure that the City safeguards its assets and is provided the maximum rate of return on its funds invested.

FISCAL IMPACT:

It is estimated that by updating the City's Portfolio options, transferring deposits to banks providing higher rates of return, and changing the bank for our operating account, interest earned should add \$700,000-\$1,000,000 to the City's general fund reserves.

ATTACHMENTS:

1. Updated Investment Policy
2. Current Investment Policy
3. Investment PowerPoint Presentation

Workflow History



User	Task	Action	Date/Time
Allen, Tedra	NEW ITEM: Not Yet Routed	*FINANCIAL IMPACT: ...	03/28/24 10:49 AM
Williams, Irwin	Assigned to Finance Director	COMPLETE: Forward t...	03/28/24 10:50 AM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forward t...	04/01/24 12:40 PM
Eggleston, Ryan	Assigned to City Manager	COMPLETE: Forward t...	04/02/24 03:04 PM
Allen, Tedra	Assigned to City Clerk	APPROVE ITEM: End ...	04/03/24 08:21 AM
Allen, Tedra	END WORKFLOW - APPROVED		04/03/24 09:12 AM