



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution Approving the Investment Policy</b>
<b>Category:</b>	Consent Calendar-Leadership and Support Services
<b>Meeting Date:</b>	8/20/2019
<b>Staff Contact:</b>	Walter C. Rossmann 408 586-3111
<b>Recommendation:</b>	Adopt a resolution of the City of Milpitas approving the Investment Policy for FY 2019-20.

**Background:**

California state law regarding the investment of public funds requires all local agencies to develop an investment policy that must be considered annually by the legislative body of the local agency at a public meeting. Therefore, the Investment Policy (the Policy) for the City of Milpitas is submitted for Council’s annual review and approval.

**Analysis:**

Staff reviewed the current Investment Policy and determined that the Policy is in compliance with the provisions of the California Government Code, Sections 16340, 16429.1-16429.4 and 53600-53686, the authority governing investments for municipal governments.

In addition, staff recommends changes to the section titled Policy Considerations (page 9 of the attached policy). This section currently addresses two issues:

- 1) **Exemption** - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- 2) **Amendments** - The City's investment policy shall be adopted by resolution of the City Council on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval.

All investments in the City’s investment portfolio are in compliance with the policy. Therefore, the first paragraph titled “Exemption,” which appears to be transitional in nature, is not needed, anymore. Staff recommends deleting this paragraph.

The second paragraph describes the requirements for the annual policy review. Therefore, staff recommends changing the title of this section from POLICY CONSIDERATIONS to ANNUAL POLICY APPROVAL These changes are highlighted in the attached red-line copy.

**Fiscal Impact:**

None – There is no fiscal impact as a result of the changes recommended to the policy.

**Recommendation:**

Adopt a resolution of the City of Milpitas approving the Investment Policy for FY 2019-20.

**Attachment(s):**

Resolution and Investment Policy (red-line and recommended version)