



Date: Tuesday, May 13, 2025

Honorable Mayor and Council Members:

Author and title: Nicole Casey, Administrative Services Director

Title: **Adoption of the Statement of Investment Policy for the 2025/2026 Fiscal Year**

Jen Callaway, Town Manager

Recommended Action: Adopt resolution 2025-26 accepting the Town of Truckee Statement of Investment Policy for the 2025-2026 fiscal year

Summary: Section 53646(a)(2) of the California Government Code recommends that the Town Council review and adopt the Town's investment policy annually.

The Town's investment policy provides guidance for the investment of the Town's idle cash and specifies acceptable investment instruments as allowed by California Government Code. In addition, it outlines the policies to be followed by Town staff and any Town contractors in the administration of cash management activities.

Discussion: The Town's investment advisor, Chandler Asset Management (CAM) does an annual review of relevant law changes and makes suggestions to the Town on necessary changes to maintain compliance with applicable state and federal laws. Town staff also review the policy to ensure that the policies are still in line with the Town's goals and objectives for safety, liquidity, and yield.

Below is a summary of the proposed changes:

- Add language to allow for investment in shares of beneficial interest issued by a Joint Powers Authority (JPA). Staff do not currently have a JPA option in mind, but by including the language in the policy, staff would be poised to invest if there was an advantageous opportunity.
- Remove the definition of Certificate of Deposit Account Registry System (CDARS) and replace it with the definition of Placement Service Deposits. CDARS was a specific entity that provided Placement Service Deposits. By updating the definition, it provides greater flexibility should the Town wish to invest in this type of instrument.
- Expanded the list of excluded investments to include a more robust definition of fossil fuels companies. Also excluded investments in tobacco companies and weapons companies.
- Added a statement stating that the Town endeavors to invest in companies that support equality of rights and companies with environmentally sound and fair labor practices.

Priority:

<input checked="" type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: California public agency investments are heavily regulated by state law. Because of the strict requirements, investments are limited to companies with a high credit rating (A or its equivalent and above). These instruments typically have lower returns due to their low risk. Additional restrictions

on the Town's ability to invest could have a material impact on the Town's interest earnings. As such, any changes to the investment policy that place additional restrictions on the type of investment instruments in which the Town can participate should be scrutinized to understand what those impacts might be. No changes are recommended for fiscal year 2025/2026.

Public Communication: This meeting.

Attachments: Attachment A: Resolution 2025-26

Attachment B: Town of Truckee Investment Policy for the 2025-2026 fiscal year

Attachment C: Redline Copy of the Town of Truckee Investment Policy