



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 2026/2027 Fiscal Year**

Jen Callaway, Town Manager

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**Recommended Action:** Adopt resolution 2026-24 accepting the Town of Truckee Statement of Investment Policy for the 2026-2027 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. Best practices suggest that the Town Council should adopt the investment policy annually. A public vote signifies that the legislative body shares fiduciary responsibility with the treasurer, increases the authority and legitimacy of the investment policy, and provides transparency and disclosure.

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, outlining the Town’s goals and objectives for safety, liquidity, and yield.

**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.

The only recommended change for fiscal year 2026-2027 is to change the maturity limit for eligible commercial paper from 270 days or less to 397 days or less, pursuant to SB 595, which become effective on January 1, 2026. The Town does not currently have commercial paper and has not used commercial paper in the last five years, and potentially longer. This would only be used in the event the Town needed cash assistance for a short period of time, such as to cover payroll expenditures while the Town awaited the first property tax disbursement. The Town has good reserves in the General Fund that currently provide for all the Town’s cash needs, and we do not foresee using this option anytime in the near future.

**Priority:**

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| <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 2026/2027.

**Public Communication:** This meeting.

**Attachments:** Attachment 1: Resolution 2026-24

Attachment 2: Town of Truckee Investment Policy for the 2026-2027 fiscal year

Attachment 3: Redline Copy of the Town of Truckee Investment Policy