



CITY OF CARSON

Legislation Text

File #: 2016-1277, Version: 1

Report to Mayor and City Council

Tuesday, January 24, 2017

Consent

SUBJECT:

**CONSIDER THE ANNUAL STATEMENT OF INVESTMENT POLICY- CITY OF CARSON,
CARSON SUCCESSOR AGENCY AND CARSON HOUSING AUTHORITY**

I. SUMMARY

In accordance with the requirements of California Government code section 53600, The Statement of Investment Policy is being presented for the annual review and adoption by the City Council.

II. RECOMMENDATION

APPROVE and ADOPT the amended Statement of Investment Policy

III. ALTERNATIVES

TAKE another action the Council deems appropriate.

IV. BACKGROUND

The Statement of Investment Policy establishes the prudent investment of funds and provides guidelines for suitable investments. This investment policy covers the investment of the following entities: City of Carson/Carson Housing Authority and Carson Successor Agency. It is the policy of the City of Carson/Housing Authority and Successor Agency to invest funds not required for immediate day-to-day operations in safe and liquid investments having a market-average rate of return (or better) while conforming to all state statutes governing the investment of public funds. The ultimate goal is to enhance the economic status of the City, Housing Authority and Successor Agency while protecting its funds.

The investment policies and practices are based upon Federal, State, and local law and

prudent money management. The following updates were made to the investment policy:

1. An increase in the percentage of reserve funds which can be invested under negotiable CDs. The current amount is 10% which shall be increased to 30% (government code maximum). This increase was made due to the rising interest rates in the negotiable CD market which will result in an increase in the rate of return on invested reserve funds.
2. A glossary of terms was added to aide in clarifying financial terms found in the Statement Of Investment Policy.

Under a separate agenda item the Council will be considering retaining an investment advisor to assist the City Treasurer in increasing yields. The investment advisor will be working with City Treasurer to review the investment policy for suggestions and revisions. The City Treasurer would then return with an amendment to the investment policy as circumstances warrant.

V. FISCAL IMPACT

Further increase revenue in the investment portfolio.

VI. EXHIBITS

Exhibit No. 1 - Statement of Investment Policy. (pgs. 3 - 13)

Prepared by: Monica Cooper, City Treasurer