



CITY OF CARSON

Legislation Text

File #: 2017-118, Version: 1

Report to Mayor and City Council

Tuesday, February 21, 2017

Discussion

SUBJECT:

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

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. Section IV- Additional language was added to further clarify when a security can be sold.
2. Section VI- additional language under “liquidity” to further explain the liquidity objective. Removal of benchmark language as it already exist under the “Performance Section”
3. Section VII- Removed last sentence and moved it to the “Maximum Securities” section IX. Removal of SLMA under subsection “B” as this no longer has Aaa ratings; added a 40% maximum to prevent over concentration in one GSE. Under subsection “C” reduced investments from 100% to 50% to prevent over concentration in Collateralized CDs. Under subsection “E” modified language for further clarification. Subsection “F” increased investment from 10% to 30% these securities are FDIC insured and currently offer attractive rates of interest which can provide the city with greater yield on the city’s investments. Subsection “I” added less restrictive language. Subsection “J” modified language for clarity. Subsection “L” was added to include “Supernationals” as an investment option.
4. Section IX is now “Maximum Securities”
5. Section X ambiguous language removed
6. Section XI is now “Investment Pools”
7. Section XIV additional language was added for greater clarity
8. Section XV additional monthly reporting items added to further enhance transparency of investments
9. Section XVII and XVIII were added for additional clarity of Collateralization and Investment compliance
10. A glossary of terms was added to aide in clarifying financial terms found in the Statement of Investment Policy

V. FISCAL IMPACT

Increase investment revenue.

VI. EXHIBITS

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

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