



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: City Investment Policy

DEPARTMENT: Finance

PREPARED BY: Lane Millar

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

1. Receive Report
2. Adopt Policy & Procedures, File Number 2.70, Subject: Investment Policy
3. Authorize the City Manager to sign agreement for a Portfolio Line of Credit (PLOC)

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

Financially stable, effectively run city with an engaged public

DISCUSSION

The City's Investment Policy serves as a comprehensive guideline for managing the City's financial assets, aiming to secure the principal amount while achieving a market rate of return. This policy is applicable to all financial assets managed by the City, including the General Fund, Enterprise Funds, Special Revenue Funds, and any new funds created by the City Council. All investment instruments applicable to the City are restricted by State Government Code and are considered low risk investments.

The policy outlines four key objectives: effective investment of idle funds, ensuring the availability of funds to meet financial obligations, maintaining liquidity through short-term securities, and focusing on yield or rate of return once safety and liquidity have been assured. Adherence to the "prudent investor standard" is mandated, with the City Treasurer designated as the responsible authority for all investment decisions.

The Finance Director oversees a roster of authorized broker/dealers, ensuring compliance with State Government Code, and is responsible for delivering regular investment reports to the City Manager and City Council on a monthly and quarterly basis.

Additionally, the Portfolio Line of Credit (PLOC) has been introduced as a flexible financial tool. The PLOC allows for immediate access to cash for operational needs and is particularly useful for quick drawdowns to meet urgent cash flow requirements. It also enables the City to maintain its long-term investment strategy by avoiding premature asset liquidation. This integrated approach ensures effective and responsible management of the City's financial assets.

Attachments:

1. 2.70 Investment Policy

REVIEWED AND APPROVED BY:

City Attorney

City Clerk/Information Services

Community Services

Development Services

Finance

Fire

Personnel

Police

Public Works