



Legislation Details (With Text)

File #: 22-283 **Version:** 1 **Name:** 2022-23 Investment Policy - SR
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 5/2/2022 **Final action:** 5/2/2022
Enactment date: **Enactment #:** 2022-066
Title: Resolution Approving City of San Leandro Investment Policy Statement for 2022-2023
Sponsors: Susan Hsieh
Finance Director
Indexes:
Code sections:
Attachments: 1. Att A Reso 2022- Investment Policy Statement 2022-2023, 2. Att B City of San Leandro 22-23 Investment Policy

Date	Ver.	Action By	Action	Result
5/2/2022	1	City Council	Approved	Pass

Resolution Approving City of San Leandro Investment Policy Statement for 2022-2023

SUMMARY AND RECOMMENDATION

Staff recommends the City Council adopt resolution approving City of San Leandro Investment Policy Statement for 2022-2023. The policy statement is approved annually.

BACKGROUND AND UPDATE

California Government Code Section 53600 *et seq.* and Section VIII of the San Leandro Investment Policy Statement require the City Council to annually review and approve the City’s Investment Policy Statement. The policy was last approved on May 17, 2021.

Sound investment practices are facilitated by the written governing policy. The City’s Investment Policy Statement includes the primary objective of preserving the safety of principle, followed by objectives of meeting liquidity needs, and obtaining a fair rate of return. Return on investment is the least important criteria compared to the safety and liquidity of the City’s assets. Additionally, investments can be made bearing in mind the responsibility of city government to the community and alternative investments which enhance the quality of life.

The City’s Investment Policy Statement provides specific guidelines for the City’s investment functions and complies with the model policy approved by the Association of Public Treasurers of the United States and Canada, and the California Government Code. The Investment Policy Statement serves as a guide for setting and achieving investment objectives, defines rules and established benchmarks, and prohibits and/or restricts certain investment instruments. Compliance with the policy is an element of fiscal discipline considered by the auditors and ratings agencies during their respective reviews.

Other Investment Policy Statement provisions guiding the portfolio makeup include:

- Permitted investment instruments in the portfolio,
- Term of remaining maturity of five-years or less at security acquisition,
- Yield comparisons for investment performance including LAIF (Local Agency Investment Fund), two-year Treasury Bills, and five-year Treasury Notes.

Staff proposes no changes for 2022-2023 to the existing Investment Policy Statement. Finance makes this recommendation following a review of the policy statement by Chandler Asset Management, which advised there are no significant changes in state guidelines or best practices.

It should be noted that Chandler expects markets to remain volatile given current geopolitical conflict. However, the City's portfolio has no direct exposure to Russian sovereign or Russian company debt.

Committee Action

The 2022-2023 Investment Policy Statement was reviewed by the Finance Committee on April 5, 2022.

Previous City Council Action

The Investment Policy is reviewed annually and was last reviewed by the City Council on May 17, 2021.

ATTACHMENT

- Attachment A-Resolution of the City Council Approving Investment Policy Statement
- Attachment B-City of San Leandro Investment Policy Statement

PREPARED BY

Susan Hsieh, Finance Director