



Legislation Details (With Text)

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Sponsors:	T. Michael Yuen				
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Date	Ver.	Action By	Action	Result
5/22/2024	1	Finance Committee		

Annual Update of the City of San Leandro Investment Policy Statement

CITY COUNCIL PRIORITY

- Fiscal Sustainability and Transparency

SUMMARY

Update review of the City of San Leandro Investment Policy Statement

RECOMMENDATION

Staff recommends the Finance Committee review the City of San Leandro Investment Policy Statement for 2024-25. The City Council approves the statement 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 by the City Council on May 15, 2023.

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 criterion 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 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 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 equal to the return on a Market Benchmark index of similar characteristics or the return for LAIF (Local Agency Investment Fund), two-year Treasury Bills, or five-year Treasury Notes.

Staff proposes no language changes to the policy consistent with the review and recommendation by Chandler Asset Management. The existing language remains consistent with the firm's best practices and the most recent changes to state guidelines.

ATTACHMENTS

- Attachment A - City of San Leandro Investment Policy Statement

PREPARED BY

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