



Legislation Text

File #: 15-355, **Version:** 1

Staff Report for Resolution Approving the City of San Leandro's Investment Policy for Fiscal Year 2015-16

SUMMARY AND RECOMMENDATION

Staff recommends City Council approval of the City of San Leandro Investment Policy for fiscal year 2015-16. The policy is approved annually and there is one proposed update for the policy for 2015-16.

BACKGROUND

California Government Code Section 53600 et seq. and Section VIII "Reporting" of the San Leandro Investment Policy requires the City Council to annually review and approve the City's Investment Policy. This policy was last adopted on June 2, 2014.

The City of San Leandro Investment Policy (Investment Policy) provides specific guidelines for the City's investment management functions and remains in compliance with the model policy approved by the Association of Public Treasurers of the United States and Canada and California Government Code Section 53601. The Investment Policy serves as a guide for setting and achieving investment objectives, defines rules and established benchmarks, prohibits and/or restricts investment instruments and reduces exposure to liability of both staff and Council. Compliance with the policy is an element of fiscal discipline considered by the auditors and rating agencies during their respective reviews.

Staff has reviewed the current policy and has one recommended change for 2015-16. In addition, state legislation has been reviewed to determine if there have been any updates or changes to state law that should be reflected in the City's policy and there is one. As of January 1, 2015 California Code was expanded to allow for investments in Supranational Securities. This new asset class is consistent with the tenet of safety, liquidity, and yield, and is a suitable investment for the City's portfolio.

1. VIII. Authorized and Suitable Investments (page 7) - Supranational Securities, provided that:

- Issues are unsubordinated obligations issued by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).
- The securities are rated "AA" or higher by a national recognized statistical rating organization.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio per issuer.
- The maximum maturity does not exceed 5 years.

Previous City Council Action(s)

The Investment Policy is reviewed annually and was last reviewed and approved by the City Council on June 2, 2014 by Resolution No. 2014-048.

ATTACHMENT

Attachment to Resolution

- City of San Leandro Investment Policy Statement

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