



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Acting City Manager

PREPARED BY: Art Vela, Acting City Manager

MEETING DATE: August 26, 2025

SUBJECT: Consideration of Resolution 2025-114, Approving the Statement of Investment Policy, Administrative Policy No. 8-11

RECOMMENDATION:

Adopt Resolution 2025-114.

BACKGROUND:

The City's Statement of Investment Policy ("Investment Policy") pertains to those funds under the control of the City Council, designated for the ongoing operations of the City, the Banning Finance Authority, the Banning Utility Authority, and the Successor Agency to the City of Banning Redevelopment Agency. The Investment Policy concerns the deposit, maintenance, and safekeeping of all such funds, and the investments made with these funds. This policy does not apply to pension funds, deferred compensation funds, bond funds (the investment of which is governed by the bond documents), trustee, and certain other non-operating funds.

The Investment Policy addresses the key areas that should be included in an investment policy as indicated in the Local Agency Investment Guidelines published by the California Debt and Investment Advisory Commission (CDIAC) including a list of securities in which the City may invest and conflict of interest prohibitions.

JUSTIFICATION:

The investment policy serves as the foundation of a local agency's investment goals and priorities. The investment policy should be reviewed regularly to ensure that it continues to meet the agency's goals/priorities for its portfolio, it can help protect the assets of the organization. The existence of an approved investment policy demonstrates that the governing body is performing its fiduciary responsibilities, thereby inspiring trust and confidence among the public that it serves.

Although not mandated, Section 53646(a)(2) states that the chief fiscal officer of a local agency may annually request reapproval by the legislative body at a public meeting. While not required by statute, it is recommended that the investment policy be presented to the agency's legislative body, and then have the policy approved by a vote of the legislative body.

The Investment Policy requires annual review and approval of the Investment Policy by City Council.

The proposed Statement of Investment Policy has been prepared in consideration of the primary investment objectives of safety of principal, liquidity that ensures the City can meet all of its cash flow needs while earning a fair market rate of return on available funds.

Additionally, the Statement of Investment Policy has been updated only to reflect that the City has replaced the title of Administrative Service Director with the title of Finance Director.

The Investment Policy, as presented, has been reviewed by both the City Attorney and the City's professional investment consultant, Chandler Asset Management and it has been confirmed that it complies with applicable regulations and best practices.

FISCAL IMPACT:

No fiscal impact.

ALTERNATIVES:

1. Do not approve Resolution 2025-114 and provide staff with direction.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [Resolution 2025-114 .docx](#)
2. [Exhibit A-Admin Policy B-11 Statement of Investment Policy_Redlined_Clean.pdf](#)