



CITY COUNCIL STAFF REPORT

ITEM NO. 5.8

DATE: June 23, 2025

TO: Honorable Mayor and City Council

FROM: Tina Olson, Administrative Services Director

SUBJECT: Resolution approving the updated Investment Policy and the annual delegation of investment authority to the City Treasurer.

RECOMMENDED ACTION

Staff recommends that the City Council adopt a resolution approving the updated Investment Policy and the annual delegation of investment authority to the City Treasurer.

SUMMARY

The City's adopted Investment Policy states that the City Council shall approve any modifications to the policy. There are no proposed changes to the authorized investments this year. Staff have added performance benchmarks tied to the 1-year and 5-year averages of the Treasury yield. In addition, under the State law the City Council can delegate the investment authority to the City Treasurer for a one-year period; the delegation requires renewal each year.

DISCUSSION

California Government Code Sections 53600 through 53659 defines the types of investments that municipal government can include in their portfolio, limits on the level of these investments, and the oversight required for the portfolio. The Investment Policy establishes strategies, practices, and procedures which are used in the administration of the City's portfolio.

Staff has reviewed the proposed policy for consistency with State law and the City's current investment strategies. There are proposed minor changes to the City's investment policy. The changes outlined below will allow the City's staff to evaluate the performance of the portfolio compared to benchmarks representing the 1-year and 5-year average of the Treasury yield.

1. The 1-year Treasury yield average is a good leading indicator of the return that can be expected for new investments. It can be used to show if market yields are rising or falling.
2. The 5-year Treasury yield average is a good indicator of the overall performance of the entire portfolio. It can be used to determine if the portfolio is outperforming or underperforming the

benchmark.

The State of California gives the City Council, in its capacity as the legislative body of the City and its related entities, the ability to delegate the investment authority to the City Treasurer (acting in the capacities of City Treasurer and treasurer of the City's related entities) for a one-year period in accordance with Section 53607 of the California Government Code. The delegation requires renewal each year.

On April 25, 2022, the City Council adopted Resolution No. 2022-062, determining that the person serving as the Administrative Services Director shall also serve as the City Treasurer and appointing the person holding the title of Administrative Services Director for the City of Livermore to serve as the City Treasurer.

The delegation of investment authority and responsibility from the City Council to the Administrative Services Director/City Treasurer will allow the Administrative Services Department to continue the prudent investment of the City's pooled treasury funds and the effective and efficient support of the City's efforts to meet its cash flow needs.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no fiscal implications associated with the recommended action.

COMMUNITY PILLAR

5: A City That Works

GOAL

17: Ensure effective use of public resources

ATTACHMENTS

1. [Investment Policy Red-Line](#)
2. [Resolution](#)
3. [Exhibit A - Investment Policy](#)

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Approved by:



Marianna A. Burch
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Fiscal Review by:



Tina Olson
Administrative Services Director