



City Council Staff Report

Subject: Delegation of Investment Decision Authority and Adoption of Legislative Policy No. 1 - Investment Policy

Date: June 25, 2024

Submitted By: Megan Bressemer, Management Analyst
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Department: Administrative Services - Finance

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Delegating Authority to Make Investment Decisions to the City Treasurer and Adopting Legislative Policy No. 1 - Investment Policy.

Background:

City of Rocklin Legislative Policy No. 1 (Investment Policy) establishes standards and guidelines for the direction, management, and oversight for the majority of the City's investable cash and funds and identifies the investment objectives, tolerance for risk, constraints on the investment portfolio, and the manner in which the investments will be managed and monitored. Investment Policy Section XIII requires annual review of the City's Investment Policy to ensure its consistency with the overall objectives of preservation of principal, liquidity and return. The policy is also reviewed for relevance to current law, financial and economic trends, and the needs of the City. Adoption of the Investment Policy is required by the City Council of the City of Rocklin each year by resolution.

On May 9, 2023, the City Council adopted Resolution No. 2023-067, approving the Investment Policy for Fiscal Year (FY) 2023/24 and delegated authority to make all investment decisions to the City Treasurer for FY 2023/24 consistent with California Government Code 53607 and the Investment Policy.

City staff and the Investment Team at Chandler Asset Management, Inc., who provides investment management and advisory services to the City, reviewed the Investment Policy to identify opportunities for the improvement of and to better align the policy with the City's investment objectives, California Government Code, and industry best practices. Proposed revisions to the policy this year include:

- a. providing clarity by adding reference to the relevant regulations for participants in the investment process,
- b. adding an additional prohibited investment practice for the purchase of a security with a

forward settlement date exceeding 45 days from the time of the investment,
c. further defining the institutions eligible to transact investments with the City, and
d. incorporating minor grammatical corrections.

On April 18, 2024, the City's Investment Advisory Committee reviewed the proposed changes and subsequently continued the updated City Investment Policy to the City Council for adoption.

Staff recommends the City Council adopt a resolution delegating authority to make investment decisions to the City Treasurer for the fiscal year commencing July 1, 2024 and ending June 30, 2025, and approving Legislative Policy No. 1 - Investment Policy, which is included as Exhibit A to the resolution (Attachment 2). A redline copy of the policy is included as Attachment 3 for reference.

Fiscal Impact:

There is no direct fiscal impact to the General Fund from the staff recommendation.

ATTACHMENTS:

1. [Resolution](#)
2. [Resolution Exhibit A - Proposed Investment Policy](#)
3. [Investment Policy - Redline](#)