

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Jennifer Hennessy, Director of Finance

DATE: May 28, 2024

SUBJECT: Adopt Resolution Approving the Statement of Investment Policy and Delegating Investment Authority to the City Treasurer

PREPARED BY: Ward Komers, Assistant Director of Finance

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA, APPROVING AND ADOPTING THE
STATEMENT OF INVESTMENT POLICY AND DELEGATING
INVESTMENT AUTHORITY TO THE CITY TREASURER

BACKGROUND: The investment of funds by California cities, including the types of securities in which a city may invest, is governed by the California Government Code. Common themes in these laws focus on a sound investment policy, oversight of investment activities, safety in managing public funds, and reporting on transactions of the investment portfolio. Specifically, Government Code Section 53607 authorizes legislative bodies of local agencies to delegate investment authority to the City Treasurer to invest or to reinvest funds of a local agency, or to sell or exchange purchased securities, for a one-year period. In addition to the guidance provided by state law, Chapter 3.04 of the Temecula Municipal Code sets forth the general fiscal provisions of the City, including delegating investment authority to the City Treasurer, requiring the purchase of investments to comply with state law, and monthly reporting of investment activity.

The recommended policy reflects allowable investments and incorporates best practices as recommended by the California Municipal Treasurers Association (CMTA) and the California Debt and Investment Advisory Commission (CDIAC).

In general, the recommended policy accomplishes the following:

- Defines the City's investment objectives and guidelines, as well as their conformance with California laws;

- Delineates the State of California approved investment vehicles that are recommended as suitable for the City of Temecula;
- Outlines investment-reporting requirements; and
- Names the City's Investment Officer and delegates investing authority to the Investment Officer and her/his designees.

The recommended resolution adopts the Statement of Investment Policy and delegates investment authority to the City Treasurer for Fiscal Year 2024-25.

FISCAL IMPACT: There is no financial impact to the City.

ATTACHMENTS: 1. Resolution
 2. Resolution Exhibit A - Statement of Investment Policy