City of Culver City, California

Agenda Item Report

Meeting Date: 08/01/2011	Item Number: JC-1
JOINT CITY COUNCIL / REDEVELOPMENT AGENCY BOARD AGENDA ITEM: Adoption of Resolutions Approving the Annual Investment Policy for Fiscal Year 2011/2012.	
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865
Fiscal Impact: Yes [] No [X]	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: []	Attachments: [X]
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: (E-Mail) Meetings and Agendas – City Council (08/03/11); Meetings and Agendas – Redevelopment Agency (08/03/11)	
Department Approval: Jeff Muir (07/19/11)	City Attorney Approval: Carol Schwab (by H. Baker) (08/03/11)
Chief Financial Officer Approval: Jeff Muir (07/19/11)	City Manager Approval: John M. Nachbar (08/03/11)

RECOMMENDATION:

Staff recommends that the City Council and Agency Board adopt respective resolutions approving the Annual Investment Policy for Fiscal Year 2011/2012.

BACKGROUND / DISCUSSION:

Effective January 1, 1996, the filing of the Annual Statement of Investment Policy (Policy) became a requirement of State law. In Fiscal Year 2003/2004, the State Legislature suspended this requirement to avoid Mandated Cost Reimbursements to local governments. However, sound practice is to continue the annual filing. The City and Agency last approved the Annual Investment Policy for Fiscal Year 2010/2011 in August 2010.

The attached proposed Policy is in compliance with Sections 53600 through 53684 of the Government Code, which govern investment requirements for California public agencies. The Chief Financial Officer (who has also been designated as the City Treasurer by the City Manager) is delegated primary authority for managing the City and Redevelopment Agency investment portfolio. Previously, there were separate (though identical) investment policies adopted by the City and Redevelopment Agency. The attached policy will be applicable to both entities.

The only proposed change to the Policy from that approved by the City Council for Fiscal Year 2010/2011 is to add the authority to invest in the Investment Trust of California, doing business as CalTRUST. The California State Association of

Counties Finance Corporation and the League of California Cities created CalTRUST to provide a convenient method for local agencies to pool their assets for investment. Recently enacted legislation authorizes local agencies to directly invest in joint investment pools, such as CalTRUST. There is no requirement that a local agency become a JPA member. As a joint powers authority, CalTRUST is governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST in full compliance with the Government Code and selects and supervises the activities of the Investment Manager and other agents. Local agencies have three account options – Money Market, Short-Term, or Medium-Term accounts. Staff is primarily interested in the Short-Term account, although authorization for all three is included in the revised policy document (which would allow the Chief Financial Officer/City Treasurer to make appropriate investment decisions based upon the changing cash position of the City and Agency).

FISCAL ANALYSIS:

There is no fiscal impact associated with the approval of the Investment Policy and the adoption of these Resolutions.

ATTACHMENTS:

1. Proposed City Council Resolution
2. Exhibit 'A' - Fiscal Year 2011-2012 Annual Investment Policy
3. Proposed Redevelopment Agency Resolution

MOTION:

That the City Council and Agency Board:

Adopt respective resolutions approving the Annual Investment Policy for Fiscal Year 2011/2012