City of Culver City, California

Agenda Item Report

Meeting Date: 08/09/2010	Item Number: J-1
JOINT CITY COUNCIL / REDEVELOPMENT AGENCY BOARD AGENDA ITEM: (1) Adoption of City Council and Redevelopment Agency Resolutions Approving an Investment Policy for the City and the Redevelopment Agency; and (2) Adoption of City Council and Redevelopment Agency Resolutions Authorizing the Chief Financial Officer and His Designated Representatives to Deposit and Withdraw Funds as well as Make Account Changes with the State Local Agency Investment Fund on Behalf of Culver City and of the Culver City Redevelopment Agency.	
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: [X]	Attachments: [X]
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: (E-Mail) Meetings and Agendas – City Council (08/05/10)	
Department Approval: Jeff Muir (08/02/10)	City Attorney Approval: Carol Schwab (by H. Baker) (08/04/10)
Chief Financial Officer Approval: Jeff Muir (08/02/10)	City Manager Approval: Martin R. Cole (08/05/10)

RECOMMENDATION:

Staff recommends that the City Council:

Adopt a Resolution approving the attached Investment Policy; and

Adopt a Resolution authorizing the Chief Financial Officer and his designated representatives to deposit and withdraw funds as well as make account changes with the State Local Investment Fund on behalf of Culver City;

AND

Staff recommends the Redevelopment Agency Board:

Adopt a Resolution that authorizes and approves the Investment Policy of the City to be the Investment Policy for the Agency; and

Adopt a Resolution authorizing the Chief Financial Officer and his designated representatives to deposit and withdraw funds as well as make account changes with the State Local Investment Fund on behalf of the Culver City Redevelopment Agency.

BACKGROUND / DISCUSSION:

Effective January 1, 1996, the filing of the Annual Statement of Investment Policy became a requirement of State law. In FY 2003/2004, the State Legislature suspended the requirement to avoid Mandated Cost Reimbursements to local governments. However, sound practice is to continue an annual review of the City and Agency Investment Policy and make adjustments when warranted. While the City and Agency have been operating under the conservative investment policies last adopted by the City Council and the Redevelopment Agency Board, in keeping with sound practice, staff recently reviewed the Investment Policy and is presenting it to the City Council and Agency Board for approval.

The attached investment 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 (acting in his capacity as City Treasurer as that title has been conveyed upon the Chief Financial Officer 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 Council and the Redevelopment Agency Board. The attached policy will be applicable to both entities.

It should be noted that the proposed policy continues the conservative investment objectives of the City and the Agency. This is particularly important given the unprecedented volatility in the investment markets experienced since the market collapse experienced in 2008.

Because of staff turnover, it is also necessary to amend and update the City and Redevelopment Agency Resolutions on file with the State of California Local Agency Investment Fund (LAIF) to reflect current personnel. The City and the Redevelopment Agency both have general investment accounts with LAIF, in addition with the authority to invest bond proceeds in the same fund. The LAIF requires the submittal of a resolution authorizing the Chief Financial Officer and his designated representatives to deposit, withdraw and make account changes for both the City and the Agency. The proposed Resolutions will authorize Jeff Muir, Chief Financial Officer, and Nagam Rao, Revenue Division Manager, to conduct these activities on behalf of the City and the 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 Resolutions
2. Proposed Redevelopment Agency Resolutions

MOTION:

That the City Council:

1. Adopt a Resolution that approves the attached Fiscal Year 2010/2011 Investment Policy; and

2. Adopt a Resolution authorizing the Chief Financial Officer and his designated representatives to deposit and withdraw funds as well as make account changes with the State Local Investment Fund on behalf of Culver City.

AND

That the Agency Board:

1. Adopt a Resolution that approves the Investment Policy of the City to be the Investment Policy for the Agency; and

2. Adopt a Resolution authorizing the Chief Financial Officer and his designated representatives to deposit and withdraw funds as well as make account changes with the State Local Investment Fund on behalf of the Culver City Redevelopment Agency.