



City of Rialto

Legislation Text

File #: 21-0890, **Version:** 3

For City Council Meeting [December 14, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Edward J. Carrillo, City Treasurer

Request City Council to Adopt **Resolution No. 7821** Amending the Investment Policy of the City of Rialto for 2022.

(ACTION)

BACKGROUND

Annually, staff reviews the City's Investment Policy and makes changes for the conformity with the California Government Code. On December 8, 2020, the City Council adopted the Investment Policy for calendar year 2021. The City Treasurer now proposes certain recommendations to the 2022 Policy concerning drops in approved quality ratings of City investments.

ANALYSIS/DISCUSSION

As seen in Exhibit A of the attached Resolution, the following changes and additions have been made to the City's Investment Policy for 2022:

- Scope Section - This Policy shall no longer be applicable to OPEB Pre Funding Trust Program.
- Scope Section - This Policy shall also be applicable to General Fund Economic Reserve funds.
- "Return" on Investments is now referenced as "Yield" on Investments.
- Investment Type Table - Local Agency Investment Fund percentage has changed from \$65,000,000 per account to \$75,000,000 per account.
- Maximum Maturities Section - Specific reference to the General Fund Economic Reserve is made with limitations consistent with the General Fund Economic Reserve Policy.
- Authorized and Suitable Investments Section - Specifies the City Treasurer may by express authorization of the City Council decide to hold past investments no longer meeting the provisions of the Policy until maturity, unless otherwise expressly prohibited by law.

Minor grammatical and numerical changes have been made throughout the Investment Policy. The California Debt and Investment Advisory Commission's Local Agency Investment Guidelines recommend local agencies have procedural guidelines in place that outlines actions to take under various scenarios in the event the portfolio or individual investments are deemed to be out of compliance with either statute or the investment policy. The addition of the above will assist the City in monitoring changes in quality rating of existing securities and require communication and require discussion of the treasurer's analysis and recommended course of action to the City Council in the event of changes occurring throughout the year.

A copy of the original 2021 Investment Policy, adopted on December 8, 2020, outlining the proposed changes has been included for ease of reference

ENVIRONMENTAL IMPACT

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5), a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY

The request is consistent with Guiding Principle 3A of the Rialto General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business

LEGAL REVIEW

The City Attorney has reviewed and supports this staff report

FINANCIAL IMPACT

Adoption of this Resolution has no financial impact.

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution of the City Council of the City of Rialto, the City's 2022 Investment Policy.