



# **Agenda Report**

## **Fullerton City Council**

**MEETING DATE:** NOVEMBER 19, 2024

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES / CITY TREASURER

**PREPARED BY:** ELLIS CHANG, DIRECTOR OF ADMINISTRATIVE SERVICES / CITY TREASURER

**SUBJECT:** CITY INVESTMENT POLICY UPDATES

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### SUMMARY

City Council consideration of City Investment Policy updates.

### PROPOSED MOTION

Approve 2024 Investment Policy updates.

### ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options brought by City Council.

### STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

### CITY MANAGER REMARKS

The City Manager supports the investment policy updates.

### PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

### FISCAL IMPACT

No direct fiscal impact from action items in this agenda report.

### BACKGROUND AND DISCUSSION

*2024 Investment Policy Updates*

The California Debt and Investment Advisory Commission (CDIAC) is an arm of the State of California Treasurer's office that provides information, education and technical assistance on debt issuance and public fund investments to local agencies. CDIAC provides occasional updates to the types of investments in which local agencies may invest. The proposed updates to the Investment Policy follow local agency guidelines.

The first primary update (Section 8: Authorized Investments) increases the maximum issuer limit for Joint Power Authority Pools from 25% to 40% to enable the City to increase investments in this security type during periods when working capital balances are elevated due to property tax distribution timing. The second primary update (Section 8.K. Asset Backed Securities) conforms language relating to Asset Backed Securities to CDIAC guidelines which limits maturity of securities not guaranteed by an agency to a maximum five years. The second primary update has no impact as the City does not hold any asset backed securities. The other updates are administrative.

The Investment Advisory Committee did not meet quorum for its October 18, 2024 meeting. The members present reviewed the proposed updates and supported the Investment Policy updates.

Attachments:

- Attachment 1 – Proposed 2024 Investment Policy Redline

cc: City Manager Eric J. Levitt