



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: City of Oakland Investment Policy For
FY 2023-24

DATE: May 26, 2023

City Administrator Approval


Jestin Johnson (Jun 29, 2023 21:23 PDT)

Date: Jun 29, 2023

RECOMMENDATION

Staff Recommends That City Council Approve:

1) A Resolution Adopting The City Of Oakland Investment Policy For Fiscal Year (FY) 2023-2024; And

2) A Resolution Pursuant To Government Code Section 53607 Delegating Investment Authority Of The Oakland Redevelopment Successor Agency To The Agency Treasurer For FY 2023-2024.

EXECUTIVE SUMMARY

As a continuing best practice and sound financial management, the Treasury Bureau continues to submit its annual investment policy to the City's legislative body (the "City Council"). The California Debt and Investment Advisory Commission ("CDIAC") annually revises its Local Agency Investment Guidelines to include statutory changes that affect local government investments.

The proposed City of Oakland Investment Policy for FY 2023-24 (**Attachment A**) incorporates minor legislative changes, minor edits and changes in dates to reflect the current fiscal year. All changes to the proposed City of Oakland Investment Policy for FY2023-24 is reflected in the redline in Attachment A.

BACKGROUND / LEGISLATIVE HISTORY

The Finance Director/City Treasurer ("Treasurer") is responsible for sound financial management practices when managing the City's and Successor Agency's investment portfolios.

The proposed policy describes the primary goals of the Treasurer when investing funds as follows:

- Preservation of capital - to safeguard the funds under the Treasurer's control;
- Liquidity - to meet short term cash needs;

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- Diversity - to reduce the portfolio risks; and
- Yield - to maximize the portfolio overall return.

The proposed policy adequately balances the needs of safety, liquidity, diversity, and yield.

ANALYSIS AND POLICY ALTERNATIVES

The statutory changes below amend the Government Codes pertaining to local government investment guidelines, which is incorporated in the proposed City of Oakland Investment Policy for FY 2023-24.

SB 1489, which was signed and approved by the governor on September 18th, 2022, amended Government Code sections related to the investment of surplus funds. This bill amended Government Code Section 53601 to clarify that a public agency investment's term or remaining maturity is to be measured from the settlement date to final maturity.

In addition, this code section was amended to prohibit the purchase of a security with a forward settlement date exceeding 45 days from the time of investment. A provision of this bill also amended Government Code section 53646(b)(1) to increase the timeline that the treasurer or chief fiscal officer has for presenting a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency from 30 to 45 days following the end of the quarter.

The proposed City of Oakland Investment Policy for FY23-24 (**Attachment A**) also incorporates amendments to change reporting dates and minor formatting edits and changes in dates to reflect the upcoming fiscal year

The proposed investment policy will establish sound financial management practices when managing the City's and Successor Agency's investment portfolios for safety, liquidity and yield. This investment policy will support Citywide priority for responsive and trustworthy government.

FISCAL IMPACT

There is no fiscal impact associated with this report.

PUBLIC OUTREACH / INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

This report has been prepared by the Finance Department.

SUSTAINABLE OPPORTUNITIES

Economic: This report insures sound financial management policies and practices.

Environmental: The City's policy is to invest, when possible, in companies that promote the use and production of renewable and "green" energy resources.

Race and Equity: The City's policy is to invest in socially responsible and minority owned companies, when possible.

This section has been intentionally left blank.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt:

- 1) A Resolution Adopting The City Of Oakland Investment Policy For Fiscal Year (FY) 2023-2024; And,
- 2) A Resolution Pursuant To Government Code Section 53607 Delegating Investment Authority Of The Oakland Redevelopment Successor Agency To The Agency Treasurer For FY 2023-2024.

For questions regarding this report, please contact David Jones, Treasury Administrator, at (510) 238 6508.

Respectfully submitted,



[Erin Roseman \(Jun 29, 2023 10:18 PDT\)](#)

ERIN ROSEMAN
Director of Finance, Finance Department

Reviewed by:
David Jones, Treasury Administrator
Treasury Bureau

Prepared by:
Max Kumar, Investment & Operations Manager
Treasury Bureau

Attachments (1):

A: ***City of Oakland and Oakland Redevelopment Successor Agency Investment Policy for Fiscal Year 2023-2024***