



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 21, 2022

TOPIC: Annual Statement of Investment Policy

AGENDA TITLE:

Adopt Resolution Approving City's Annual Statement of Investment Policy 2022-2023;
Receive and File Annual Statement of Investment Policy 2022-2023

RECOMMENDED ACTION

1. Adopt a Resolution approving the City's 2022-2023 Investment Policy.
2. Receive and file the Annual Statement of Investment Policy 2022-2023.

DISCUSSION

In accordance with State law, the Finance and Management Services Agency annually submits a resolution approving the City's Investment Policy and the Annual Statement of Investment (Exhibit 1).

The investment policy outlines the following primary goals (Exhibit 2):

- To assure compliance with all Federal, State, and local laws governing the investment of monies;
- To provide for the safety of principal;
- To provide for the maintenance of sufficient liquidity; and
- To provide an investment return within the parameters of the Statement of Investment Policy and Investment Portfolio guidelines.

The investment policy applies to all financial assets of the City with the exception of individual employee retirement contribution funds and deferred compensation, which are specifically excluded. Bond Proceeds are restricted and are invested in compliance with this investment policy following the specific requirements of their applicable bond resolutions. Investment Staff continuously evaluates the City's policy with regards to industry standards and best practices to determine if any newly adopted state rules or regulations are required to be incorporated within the document or if any industry enhancements are recommended. The investment policy is required to be submitted every five (5) years to the Association of Public Treasurers of the United States and

Canada (APTUS&C) and to the California Municipal Treasurers Association (CMTA) for review and to receive re-certification. In FY 2019-20, the City of Santa Ana received Investment Policy Certifications from both APTUS&C at the international North American level and the CMTA at the state level. Only a handful of California cities currently hold such dual certification. In FY 2021-22, the City of Santa Ana received Investment Policy Certification from the CMTA.

Both certification bodies recommend that local public agency investment policies be evaluated annually, but that absent significant legislative changes, or changes in industry standards, or substantive modifications, submittal for re-certification should be considered only every 3 to 5 years. This year, once again, staff recommended changes have been limited and generally of a non-substantial nature. These changes which are listed below have been incorporated into the recommended City of Santa Ana Investment Policy Statement for 2022-2023.

These changes continue to reflect updated certification organization requirements mirroring the policy consensus of the Association of Public Treasurers of the United States & Canada and the California Municipal Treasurers Association.

The changes include, but are not limited to the following updates:

- Update prohibiting purchases of private resales of unregistered securities.
- Update to address periodic Investment Policy Statement re-certification.
- Update of legislative California Investment Code Abstracts.
- Update of corresponding California Debt and Investment Advisory Commission (CDIAC) Guidelines for Allowable Investment Instruments per State Government Code (As of January 1, 2022) applicable to all Local Agencies.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT(S)

1. Resolution
2. Annual Statement of Investment Policy

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager