

STAFF REPORT

Consent Agenda Item

DATE: August 21, 2023

TO: Honorable Mayor and Council Members

FROM: Aaron Felmlee, Finance Director

THROUGH: Merritt Perry, City Manager

SUBJECT: **Approve the Investment Policy for Fiscal Year 2023-24; Adopt *Resolution 2023-25***

STAFF RECOMMEDATION:

Approve the Investment Policy for Fiscal Year 2023-24; Adopt *Resolution 2023-25*.

EXECUTIVE SUMMARY:

The purpose of the Investment Policy (Policy) is to establish cash management and investment guidelines for the City Treasurer, who is responsible for the administration of the City of Fortuna Investment Program. It is the policy of the City of Fortuna to meet the short and long-term cash flow demands of the City in a manner, which will provide for the safety of principal and sufficient liquidity, while providing an investment return.

The City last revised the Investment Policy on November 7, 2022. As such, it is time for the annual review by the City Council of the Investment Policy. Staff has provided a red-lined version of the Investment Policy with suggested changes to bring the Policy up to date to both current practices and Government Code requirements.

The one change being proposed is to provide language ensuring that all Negotiable Certificates of Deposit will be fully insured by federal deposit insurance while removing certain limitations on which institutions can be used since they will now be required to be covered by FDIC insurance. The federal deposit insurance corporation currently insures deposits up to \$250,000 per depositor as long as the institution is a member firm. The City currently operates with only investing in CD's that are fully FDIC insured and this policy change will not require any changes to the current investments held by the City.

Attached is the June 30, 2023 investment report for Council review. Please note that the total funds listed in the investment report are pooled funds comprised of the many general funds, restricted funds, and enterprise funds held by the City and therefore a majority of the funds are restricted to specific projects and purposes.

RECOMMENDED COUNCIL ACTION:

Receive Investment Policy staff report. Consent Agenda vote.

ATTACHMENTS

- *Resolution 2023- 25, A Resolution of the City Council of the City of Fortuna Approving the Investment Policy for the Fiscal Year 2023-24.*
- City of Fortuna Investment Policy red-lined version
- June 30, 2023 Treasurer's Report