



MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director

BY: Lynda Horejsi, Accounting Manager

SUBJECT: Consideration of Statement of Investment Deposits

DATE: March 12, 2024

SUMMARY OF ACTION:

Presentation of the City's investment deposits as of January 31, 2024.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no funding impact to the City related to these reports. However, the City does receive interest revenue based on the interest rate of the investments. Little to no future staff time is projected.

RECOMMENDATION:

Receive and file the attached report listing investment deposits of the City of Arroyo Grande as of January 31, 2024, as required by Government Code Section 53646(b).

BACKGROUND:

The Administrative Services department has historically submitted to the City Council a monthly report, providing the following information:

1. Type of investment.
2. Financial institution (bank, savings and loan, broker, etc).
3. Date of maturity.
4. Principal amount.
5. Rate of interest.
6. Current market value for all securities having a maturity of more than 12 months.
7. Relationship of the monthly report to the annual statement of investment policy.

ANALYSIS OF ISSUES:

This report represents the City's investments as of January 31, 2024, and includes all investments managed by the City. As of January 31, 2024, the investment portfolio was in compliance with all State laws and the City's investment policy.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation to receive and file the attached report listing the investment deposits;
2. Do not approve staff's recommendation; or
3. Provide other direction to staff.

ADVANTAGES:

Safety of principal is the foremost objective of the City. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

DISADVANTAGES:

Some level of risk is present in any investment transaction. Losses could be incurred due to market price changes, technical cash flow complications such as the need to withdraw a non-negotiable Time Certificate of Deposit early, or even the default of an issuer. To minimize such risks, diversifications of the investment portfolio by institution and by investment instruments are being used as much as is practical and prudent.

ENVIRONMENTAL REVIEW:

The Statement of Investment Deposits is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Portfolio Summary: January 31, 2024