



MEMORANDUM

TO: City Council

FROM: Nicole Valentine, Administrative Services Director

BY: Lynda Horejsi, Accounting Manager

SUBJECT: Consideration of Statement of Investment Deposits

DATE: November 22, 2022

SUMMARY OF ACTION:

Presentation of the City's investment deposits as of September 30, 2022.

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. No or minimal future staff time is projected.

RECOMMENDATION:

Receive and file the attached report listing investment deposits of the City of Arroyo Grande as of September 30, 2022, 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.

Item 9.b.

ANALYSIS OF ISSUES:

This report represents the City's investments as of September 30, 2022. It includes all investments managed by the City, the investment institution, investment type, book value, maturity date, and rate of interest. As of September 30, 2022, 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:

No environmental review is required for this item.

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: September 30, 2022