

# CITY OF PALM DESERT STAFF REPORT

MEETING DATE: December 14, 2023

PREPARED BY: James Bounds, Finance Supervisor

REQUEST: ADOPT CITY COUNCIL, SUCCESSOR AGENCY, FINANCING AUTHORITY AND HOUSING AUTHORITY RESOLUTIONS APPROVING THE CITY OF PALM DESERT INVESTMENT POLICY (FIN-002), AS AMENDED

## **RECOMMENDATION:**

Adopt City, Successor Agency, Financing Authority, and Housing Authority Resolutions approving the City of Palm Desert Investment Policy (FIN-002), as amended.

## **BACKGROUND/ANALYSIS:**

California Government. Code Section 53646.2 authorizes the treasurer of a local agency to submit the agency's investment policy to the governing body for review and adoption. Proposed policy changes may be considered at that time.

Upon review of the latest Investment Policy dated November 19, 2020, City staff and PFM representatives discussed and suggest the changes below to accomplish the following:

1. Incorporate any recent code or regulatory updates.
2. Leverage the resources/expertise that come from using an investment advisor.
3. Improve the Policy's clarity, so it is easier for the average reader to understand the Policy's requirements.

The requested changes are summarized below:

| Section | Description                       | Reason for Change |
|---------|-----------------------------------|-------------------|
| 4.02    | Liquidity                         | 2                 |
| 4.03    | Yield                             | 2                 |
| 5.0     | Delegation of Authority           | 1, 2              |
| 8.0     | Authorized Broker-Dealer          | 1, 2              |
| 9.0     | Authorized Investments            | 1                 |
| 9.2     | Federal Agency                    | 1                 |
| 9.3     | Municipal Debt                    | 1                 |
| 9.4     | Commercial Paper                  | 1, 2              |
| 9.5     | Negotiable Certificate of Deposit | 1                 |
| 9.6     | Time Certificate of Deposit       | 1                 |
| 9.7     | Placement Service Deposits        | 1, 2              |
| 9.8     | Repurchase Agreement              | 2                 |
| 9.9     | Medium Term Note                  | 1                 |

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|      |   |         |
|------|---|---------|
| 9.10 | Money Market Mutual Funds                 | 2       |
| 9.11 | Structured Notes                          | 1       |
| 9.12 | Government Investment Pools               | 3       |
| 9.13 | Government Investment Pools               | 3       |
| 10.0 | Diversification                           | 2       |
| 11.0 | Maximum Maturities                        | 2, 3    |
| 12.0 | Prohibited Investment Strategies          | 2       |
| 13.0 | Investment Pools/MM Funds                 | 2       |
| 14.0 | Management Strategy                       | 2       |
| 15.0 | Portfolio Rebalancing                     | 1, 2    |
| 17.0 | Safekeeping and Custody                   | 2       |
| 18.0 | Collateral                                | 1       |
| 21.0 | Reporting                                 | 1, 2, 3 |
| Ap A | List of Authorized Financial Institutions | 1, 2, 3 |

**Commission Recommendation:**

At the November 28, 2023 meeting, the Finance Committee reviewed the amended policy and recommended that the City Council adopt the proposed changes to the City investment policy (FIN-002), as amended.

**FINANCIAL IMPACT:**

There is no fiscal impact directly associated with this action.

**ATTACHMENTS:**

1. Resolution City
2. Resolution SARDA
3. Resolution Finance Authority
4. Resolution Housing Authority
5. Attachment “A” -- Proposed 2024 Palm Desert Investment Policy
6. Attachment “B” -- Approved 2021 Palm Desert Investment Policy