



COUNCIL REPORT

DATE: November 15, 2022

CATEGORY: Consent

DEPT.: Investment Review Committee,
Finance and Administrative Services

TITLE: **Annual Report of the Investment Review
Committee for Fiscal Year 2021-22**

RECOMMENDATION

Accept the Annual Report of the Investment Review Committee for Fiscal Year 2021-22.

BACKGROUND

This Council report transmits the Annual Report of the Investment Review Committee (IRC or Committee) (Attachment 1) as required by City Council Policy B-2, Investment Policy ([Policy](#)). The IRC is comprised of the members of the Council Finance Committee (CFC) and two public members appointed by the City Council with expertise in the area of fixed-income investments. The two appointed public members are Steven Permut, Retired Vice President, Senior Portfolio Manager, and Director of Municipal Investments for American Century Investment Management, Inc.; and Douglas Radtke, CPA, Radtke & Company. The CFC is comprised of Councilmembers Sally Lieber (Chair of the IRC), Lisa Matichak, and Mayor Lucas Ramirez. The CFC would like to express appreciation to Committee members Permut and Radtke for their advice, expertise, time, and assistance in fulfilling the responsibilities of the Committee.

The Policy requires that the IRC meet annually to review the performance, Policy compliance, and management of the City's investment portfolio. This year's meeting was held on October 6, 2022 (Attachment 2). The Committee is also required to submit an Annual Report to the City Council containing the Committee's findings and any recommendations to amend the Policy.

Acceptance of this report by the City Council also constitutes voluntary compliance with California Government Code Section 53646(a)(2), which states that: "...the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting."

ANALYSIS

Staff and Chandler Asset Management (Consultant) reviewed the City's portfolio. The portfolio was in compliance with the Policy throughout the fiscal year. The total portfolio balance as of June 30, 2022 was \$971.5 million (cost value), compared to \$841.1 million the previous fiscal year.

At the October 6, 2022 meeting, the Committee discussed the overall performance of the portfolio and the benefits that the City has experienced due to its conservative approach to investing. There was also some discussion about recent private placement 144A securities that have been added to the corporate portion of the portfolio.

No action is needed on the discussion above, and there are no recommended changes to the Policy. The Committee's Annual Report is attached to this Council report (Attachment 1).

FISCAL IMPACT—None.

ALTERNATIVES

1. Recommend one or more change(s) to the Policy.
2. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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Approved by:

Sally Lieber, Chair
Investment Review Committee

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- Attachments:
1. Annual Report of the Investment Review Committee for Fiscal Year 2021-22
 2. Agenda and Reports from the Investment Review Committee Meeting, October 6, 2022