



CITY OF MENIFEE

SUBJECT: Annual Investment Policy for Fiscal Year 2023/2024

MEETING DATE: September 26, 2023

TO: Finance Committee

PREPARED BY: Ann-Marie Etienne, Finance Manager

REVIEWED BY: Margarita Cornejo, Acting Chief Financial Officer

APPROVED BY: Rochelle Clayton, Assistant City Manager

RECOMMENDED ACTION

1. Review and provide comments on the Draft Fiscal Year 2023/2024 Investment Policy and recommend submittal to the City Council for approval at a future City Council meeting.

DISCUSSION

In accordance with the Investment Policy, this policy shall be reviewed and adopted at least once a year within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The investment policy was last endorsed and adopted by the Meniffee City Council and became effective on May 5, 2021 (Policy Number CC-11) with the most recent annual update on September 21, 2022.

The purpose of the investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Meniffee's objectives of safety, liquidity and return on investment through a diversified investment portfolio. This policy also serves to organize and formalize the City of Meniffee's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

On July 5, 2022, the CMTA Investment Policy Certification was granted to the City of Meniffee. This Investment Policy Certification recognizes that CMTA has validated that the City of

Menifee's Investment Policy adheres with the State of California Government Code and meets specific requirements deemed to be best practices for municipal agency investment policies. Per CMTA recommendation, The City will seek to certify our Investment Policy every 2 – 3 years or whenever a major update occurs.

Any recommended modifications or amendments shall be presented by staff to the governing body for their consideration and adoption. The draft fiscal year 2023/2024 investment policy revisions consist of:

- Investments are prohibited to have a forward settlement > 45 days from the date of investment.
- Specify the term to maturity is measured from the settlement date.
- Changing the monthly and quarterly transaction reports (Treasurer) due to the governing body from 60 days to 45 days. This change would ensure compliance with the policy to allow sufficient time to close month end, to reconcile bank/trust accounts, to prepare and review the report(s), to approve staff reports, and to allow for Holidays.

Although minor changes have occurred with the state government code, we are recommending that we leave the City of Menifee's Policy maximums unchanged.

The overall goal of this policy is to ensure that the City's investments are managed with the degree of professionalism worthy of the public trust, with preservation and protection of the City's assets being the guiding philosophy.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Government

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

ATTACHMENTS

1. Revised Investment Policy FY 2023/2024