

# Agenda Report



**MEETING DATE:** Tuesday, February 27, 2024

**TO:** City Council

**FROM:** ADMINISTRATIVE SERVICES DIRECTOR DURAN  
ASST FINANCE MANAGER RODRIGUEZ

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** RESOLUTION ADOPTING THE CITY OF WATSONVILLE  
INVESTMENT POLICY FOR CALENDAR YEAR 2024

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## **RECOMMENDED ACTION:**

It is recommended that the City Council approve a Resolution adopting the City of Watsonville Investment Policy for Calendar Year 2024.

## **DISCUSSION:**

- The City's Investment Policy and State law recommend that the governing body of the City annually review the Investment Policy. The City of Watsonville Investment Policy was last reviewed and adopted by the City Council in 2023. We have added the California Asset Management Program (CAMP) as a permitted investment to the policy since its last adoption. CAMP is a permitted investment to local agencies and provides a short-term cash reserve portfolio rated at AAAM. It further provides same-day liquidity, competitive yield and interest is paid monthly.
- The purpose of the policy is to provide guidelines to the City Treasurer and staff for the investment of idle cash. Funds are invested in a manner that will earn a competitive yield in accordance with the City's needs for liquidity and safety while at the same time maximizing investments earnings. The Investment Policy intent is to ensure and promote investment practices that are consistent with the policy, prudent in nature and that provide for the financial operational needs of the City.
- In accordance with the policy, the City Treasurer is delegated investment authority by the Council. In this delegated capacity, the City Treasurer may conduct Investment Committee meetings with staff to discuss investment options and provide direction for the investment of idle cash. A quarterly Investment report is prepared by the Finance Department and submitted to the City Council at a regularly scheduled council meeting.

**STRATEGIC PLAN:**

The recommendation supports the principles used of the Strategic Plan by focusing in the most effective utilization of resources.

4-Fiscal Health

**FINANCIAL IMPACT:**

None

**ALTERNATIVE ACTION:**

The City Council could recommend other investment types or change the portfolio investment percentage limits, but making percentage change limits would deviate from the ones allowed in Government Code Section 53600 et seq.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.