



Staff Report

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Yountville Town Council Staff Report

DATE: May 19, 2020

TO: Mayor and Town Council

FROM: Sheila McCrory, Project Advisor; Celia King, Finance Director

TITLE

Receive and file Quarterly Investment Report for March 2020.

DISCUSSION/BACKGROUND

This report represents the Town's investment portfolio for the quarter ending March 31, 2020. The report includes all Town funds. All investments are in compliance with the Town's adopted Investment Policy.

The Town's investments are guided by an Investment Policy, which is reviewed and approved by the Council annually. The Investment Policy was last approved by the Town Council on June 17, 2019. The policy directs that investment goals, in order by priority, are safety, liquidity, and yield. This conservative approach ensures assets are available for use while also allowing the Town to earn additional resources on idle funds. The Town currently participates in the State investment pool known as the Local Agency Investment Fund (LAIF).

LAIF began in 1977 as an investment alternative for California's local governments and special districts and is administered by the State of California's Treasurer. The enabling legislation for LAIF is Section 16429.1 et seq. of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the Treasurer's Office investment staff at no additional cost to local agencies or taxpayers. LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, State Director of Finance, and State Controller.

The Town established a Section 115 Trust for Other Post Employment Benefits and Pension Rate Stabilization with Public Agency Retirement Services (PARS). Town Council adopted a moderate investment strategy and funds are invested in a diversified portfolio. The interest rates shown are for the quarter reported.

All Town funds are invested in accordance with the approved Investment Policy with an emphasis on safety, liquidity and yield (in that order). The Town's investment strategy of balancing the investment portfolio between short-term investments (to meet cash flow needs) and longer-term maturities (to realize a higher rate of return) is appropriate given the current market conditions.

The investment portfolio will continue to be closely monitored to ensure the avoidance of risk and to respond

to changes in market conditions.

This staff report is presented as informational.

ENVIRONMENTAL REVIEW

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? Interest Income

Is it Mandatory or Discretionary? Mandatory

Is there a Staff Resource Impact? N/A

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Monthly budget and actual revenue and expense reports provide timely information and financial transparency; Timely financial information can help control costs by guiding policy and spending decisions.

ALTERNATIVES

N/A

RECOMMENDATION

Receive and File.