

CITY OF BELVEDERE

RESOLUTION NO. 2024-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELVEDERE
AMENDING BELVEDERE ADMINISTRATIVE POLICY MANUAL,
POLICY 2.5 INVESTMENTS

WHEREAS, Belvedere Administrative Policy Manual Section 2.5 Investments provides policies establishing investment objectives, criteria and oversight; and

WHEREAS, the Belvedere Finance Committee has recommended amendments to the Administrative Policy Manual Section 2.5 regarding this classification, as set forth in Exhibit A attached hereto; and

WHEREAS, on February 12, the City Council held a public meeting to consider the Administrative Policy Manual Amendments; and

WHEREAS, the City Council finds that the Administrative Policy Manual Amendments are categorically exempt from the California Environmental Quality Act ("CEQA") under CEQA Guideline section 15061(b)(3) (the "common sense exemption") as it can be seen with certainty that there is no possibility of a significant adverse environmental effect.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Belvedere that Part 2, Finance, of the City of Belvedere Administrative Policy Manual, Section 2.5 is hereby adopted as set forth in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Belvedere on February 12, 2024, by the following vote:

AYES: Cooper, Kemnitzer, Lynch, Wilkinson, Mark
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED: 
Peter Mark, Mayor

ATTEST: 
Beth Haener, City Clerk



CITY OF BELVEDERE – ADMINISTRATIVE POLICY MANUAL

**POLICY 2.5
INVESTMENTS**

Adoption Date:	9/7/2004	Adopted by:	City Council Resolution No. 2004-33
Revised Date:	11/13/2018 4/12/2021 5/09/2022	Revised by:	City Council Resolution No. 2018-32 City Council Resolution No. 2021-10 City Council Resolution No. 2022-23
Authority:	City Council		

2.5.1 PURPOSE

The Investment Policy provides guidelines for the prudent investment of cash that is temporarily available for investment, and outlines policies for the City’s cash management system. Its purpose is to enhance the economic status of the City while protecting the value of its pooled cash. This policy is applicable to all funds and investment activities under the direct authority of the City excluding pension trust funds, other post-employment benefit trust funds, and the proceeds of debt issues.

2.5.2 OBJECTIVE

- A. The investment objective is to ensure fund safety, preserve a significant amount of liquidity and achieve yields on City funds that are available for investment under the guidelines of this policy.
- B. The cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to identify those funds that could be invested without adversely affecting City operations.

2.5.4 POLICY

In order to generate higher rates of return on its cash balances, the City pools the cash from all funds, except those funds held in trust for the City by various financial institutions in accordance with applicable trust agreements related to debt issues. Interest revenue derived from pooled cash is allocated monthly to the participating funds based on the relative cash balance of each fund.

2.5.5 INVESTMENT CRITERIA

Criteria for selecting investments and the order of priority are:

- **Safety:** The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those

investments that are considered very safe and are allowable under Government Code Sections 53600 to 53610.

- **Liquidity:** This refers to the ability to “cash in” at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occasionally occurs.
- **Yield:** This is the dollar earnings an investment can provide, and sometimes is described as the rate of return.

2.5.6 INVESTMENT APPROACH

It is the practice of the City to invest primarily in the Local Agency Investment Fund, [Investment Trust of California \(CalTRUST\)](#), the CalPERS Section 115 California Employers’ Pension Prefunding Trust Fund or hold cash on deposit at FDIC insured banks. Investments of reserve funds or bond proceeds in other instruments may be considered if recommended by the Finance Committee to the City Manager for action by the City Council and provided that any such investments should only be undertaken if the likelihood of the City needing to deploy these funds in the near term is low.

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2.5.7 OVERSIGHT

The Finance Committee shall review investments and investment performance on an ~~semi-annual~~ basis ~~with staff bringing a recommendation to the Finance Committee at the time of its budget and audit review meetings. On a quarterly basis, at a minimum, in consultation with the designated Finance Committee members, staff may request approval from the Finance Committee Chair to move funds between the CalTRUST funds and/or LAIF outside of the semi-annual reviews.~~ The Committee’s findings shall be reported to the City Council through the Councilperson(s) who serve on the Committee. The Finance Committee shall review this Investment Policy every ~~five years~~ and report any recommendations to the City Council through the Councilperson(s) who serve on the Committee.

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