



# City of La Quinta

**CITY / SA / HA / FA MEETING DATE:** June 17, 2014

**ITEM TITLE:** APPROVE INVESTMENT ADVISORY BOARD WORK PLAN FOR FISCAL YEAR 2014/2015

**AGENDA CATEGORY:**

**BUSINESS SESSION:**

**CONSENT CALENDAR:** 3

**STUDY SESSION:**

**PUBLIC HEARING:**

---

## **RECOMMENDED ACTION:**

Approve the Investment Advisory Board Work Plan for Fiscal Year 2014/2015.

## **EXECUTIVE SUMMARY:**

- Each year, the City's Boards and Commissions review their current work plans in order to provide an opportunity for potential modifications to the existing plans.
- The current work plan for the Investment Advisory Board (IAB) reflects the five principal functions of the Board as set forth in the City's Municipal Code.
- The IAB has recommended the addition of one task for the 2014/15 Work Plan, which is a complete analysis of two potential investment opportunities.

## **FISCAL IMPACT:**

None.

## **BACKGROUND/ANALYSIS:**

The five principal functions of the IAB are as follows:

- Review at least annually the City's investment policy and recommend appropriate changes.

- Review monthly treasury report and note compliance with the investment policy and adequacy of cash and investments for anticipated obligations.
- Receive and consider other reports provided by the City Treasurer.
- Meet with the independent auditor after completion of the annual audit of the City's financial statements, and receive and consider the auditor's comments on auditing procedures, internal controls, and findings for cash and investment activities.
- Serve as a resource for the City Treasurer on matters such as proposed investments, internal controls, use of change of financial institutions, custodians, brokers and dealers.

Over the past three months, IAB has been meeting to review and discuss the current Investment Policy in order to develop recommendations to the City Council regarding potential revisions. During the course of these meetings, there was discussion regarding adding two investment opportunities to the existing Policy - specifically, the Investment Trust of California (CalTrust) and the Riverside County Pooled Investment Fund. IAB concluded that further investigation of each opportunity was warranted prior to recommending them for addition to the City's Investment Policy. Accordingly, at its May 14, 2014 meeting, IAB directed staff to add as a sixth task, the following:

“Investigate as potential investment opportunities the Investment Trust of California (CalTrust) and the Riverside County Pooled Investment Fund.”

#### **ALTERNATIVES:**

Council may choose not to add this sixth item to the work plan; however, its addition does not bind the City to any agreements and only provides additional information for the IAB to consider. Therefore, staff does not recommend an alternative.

Report prepared by: Rita Conrad, Finance Director

Report approved for submission by: Frank J. Spevacek, City Manager