

ANNUAL INVESTMENT POLICY REVIEW FOR FISCAL YEAR 2022

Public Safety, Finance and Strategic Support Committee

**Prepared by the Finance Department
February 17, 2022**



ANNUAL INVESTMENT POLICY REVIEW

- The Policy requires that the Finance Department:
 - Perform an annual review of the Policy;
 - Submit any proposed changes to the Public Safety, Finance, and Strategic Support Committee for its review subsequent consideration; and
 - Seek approval by the full City Council
- A redlined version of the City of San José Investment Policy, *Policy Number 1-12*, is included as Exhibit A.



UPDATE, IMPROVE OR CLARIFY LANGUAGE

- Clarify authority language to better align with the City Charter
- Clarify language and improve disclosure requirements for Financial Institutions
- Standardize and update language for authorized investments



NEW ELEMENTS FOR ADDITIONAL FLEXIBILITY

- Add Joint Power Authority Pools as an authorized investment to increase short-term options
- Add a section allowing investment in negative rates under certain market conditions, to conform to changes made in State law



IMPROVE AND REFINE POLICY CONSIDERATIONS

- Expand language in the Social Responsibility section to include all protected categories in City Administrative Policy Manual 1.1.1
- Make permanent the temporary modification of the Weighted Average Maturity to two-and-a-half years.
 - Originally approved by September 15, 2020 Council Action through July 1, 2021
 - Later extended through July 1, 2022



RECOMMENDATION

- Approve the City of San José Investment Policy, as amended
- Refer the City of San José Investment Policy as well as the respective resolution to the full City Council for consideration at the March 15, 2022 Council Meeting

