



# Agenda Item

## City Council

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**Item #:** 3.14.

**8/12/2025**

**File #:** 25-0474

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**TO:** Honorable Mayor and Members of the City Council

**THRU:** Jarad Hildenbrand, City Manager

**FROM:** Garrett Smith, City Treasurer

### 1. SUBJECT

Annual review and approval of the Statement of Investment Policy for Fiscal Year 2025-26.

### 2. SUMMARY

The City Treasurer and Chandler Asset Management, the City's investment management firm, conducted a review of the City's Investment Policy and updated it with current trends and laws governing public sector investments. Chandler provided recommendations to further the best interests of the City's investment strategy.

### 3. RECOMMENDED ACTION

Adopt the Fiscal Year 2025-26 City of Orange Investment Policy.

### 4. DISCUSSION AND BACKGROUND

The California Government Code Section 53646 requires that the Statement of Investment Policy (SIP) be reviewed and approved by the legislative body on an annual basis. The City's Investment Policy is one of the most conservative policies in the State and it is proposed that the very conservative features of the policy be maintained.

The City Treasurer and Chandler Asset Management have reviewed the policy and all changes are made to adjust any outdated verbiage based on new Senate Bills and additional best practices. These changes were presented to the Investment Advisory Committee on July 23<sup>rd</sup> and the committee supported the recommended changes.

#### Key Updates:

- 2.1 - Scope - exemption language recommended by CMTA reviewer in 2024
- 2.4 - Authorized Financial Institutions and Dealers - Include FINRA certification proof, NCD/Federally Insured Time Deposits
  - Federal Agency description consistent with Code
  - Updated language for Asset-Backed Securities to be in line with Senate Bill 882 (which clarified the limitations on Pass Thru Securities)
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- 3.3 - Mitigating Risk in the Portfolio - downgrade language reflecting Chandler best practices

## 5. ATTACHMENTS

- FY 2025-26 City of Orange Investment Policy (redlined version)
- FY 2025-26 City of Orange Investment Policy (clean version)