



Agenda Item

Investment Advisory Committee

Item #: 4.1.

4/23/2025

File #: 25-0236

TO: Chair and Members of the Investment Advisory Committee

THRU: Trang Nguyen, Finance Director

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 interest of the City's investment strategy.

3. RECOMMENDED ACTION

Provide input and direction regarding proposed changes to 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The City Treasurer and Chandler Asset Management have reviewed the policy and all changes are made to adjust any outdated verbiage based on new Senate Bills and additional best practices.

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

Feedback from the committee will be incorporated and presented to City Council for adoption at a future meeting.

5. ATTACHMENTS

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