



CITY OF HAYWARD

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Cover Memo

File #: RPT 18-169, **Version:** 1

DATE: October 17, 2018

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT

Investment Portfolio Review and FY 2019 Statement of Investment Policy Update

RECOMMENDATION

That the Committee reviews and comments on the 2017-2018 Year-End Portfolio Review and recommends Council approval of the Fiscal Year 2019 Statement of Investment Policy.

SUMMARY

This report provides an overview of the 2017-2018 year-end City investment portfolio. Additionally, there was a recent clarification to the language related to asset backed securities and mortgage backed securities in CA Government Code 53601(o). AB-1770 was Chaptered on September 6, 2018 and will take effect on January 1, 2019. Staff is recommending an update to the City's investment policy as the additional language included is meant to provide clarification on the maturity of these types of bonds. In bold below, staff has highlighted the additional language from the code revision that has been included in the redline version of the attached policy.

- "Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO **and have a maximum remaining maturity of five years or less.**"

ATTACHMENTS

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| Attachment I | Staff Report |
| Attachment II | 2017-2018 Year-End Portfolio Review |
| Attachment III | Summary of Proposed Changes |
| Attachment VI | Statement of Investment Policy (red-lined) |