



City of La Quinta

CITY / SA / HA / FA MEETING DATE: June 2, 2015

ITEM TITLE: APPROVE INVESTMENT ADVISORY BOARD
WORK PLAN FOR FISCAL YEAR 2015/2016

AGENDA CATEGORY:

BUSINESS SESSION:

CONSENT CALENDAR: 7

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Approve the Investment Advisory Board Work Plan for Fiscal Year 2015/2016.

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 Investment Advisory Board's (IAB) current work plan reflects five principal functions as set forth in the City's Municipal Code.
- The IAB has elected to meet on a quarterly, rather than monthly, basis beginning July 1, 2015.

FISCAL IMPACT:

None.

BACKGROUND/ANALYSIS:

The five principal functions of the IAB are as follows:

- Review the City's investment policy annually and recommend appropriate changes.
- Review monthly treasury report, noting 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 City's annual audit and receive and consider the auditor's comments on 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 or change of financial institutions, custodians, brokers and dealers.

Additionally, the IAB has elected to meet on a quarterly, rather than monthly, basis beginning July 1, 2015. The City's Municipal Code states that the IAB will meet monthly unless the Board, with Council concurrence, believes less frequent meetings are sufficient. Over the years, the IAB has developed extensive guidelines and requirements for the City Treasurer to follow. These guidelines, along with stringent State requirements, provide the daily direction needed for the City Treasurer to make investment decisions. In this low interest rate market, the data on the monthly Treasurer's Report does not change radically month to month; therefore, meeting on a quarterly basis should not present significant challenges. The IAB may meet more frequently should the need arise (for example, to deal with a specific urgent issue that needs to be addressed, or to work on a special project assigned by the City Council).

ALTERNATIVES:

None.

Report prepared by: Rita Conrad, Finance Director

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