

STAFF REPORT

Date: December 14, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of the Amended Investment Policy for the City of Reno and the Redevelopment Agency of the City of Reno, Nevada.

From: Vicki VanBuren, Director of Finance

Department: Finance

Summary:

The Investment Policy (Policy) provides guidance for the investment of the City's idle cash. As a result of this year's review of the Policy, there is one proposed change. The Policy was reviewed by the City's Financial Advisory Board (FAB) at their October 13, 2022 meeting and the FAB voted to recommend approval and adoption of the Policy as revised. Staff recommends adoption of the revised Investment Policy for the City of Reno and the Redevelopment Agency.

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

March 24, 1986 – The original Investment Policy was adopted by Council. The Policy has been revised 12 times since inception.

Discussion:

The Investment Policy provides guidance for investment of the City's idle cash. Staff consistently reviews the policy with the City's investment advisor to maintain the policy at current standards and best practices and in conformance with the Nevada Revised Statutes. There are two changes proposed by staff as a result of this year's review:

1) In Section 8.1.4, changed rating from "AA" to "A". Nevada Revised Statutes (NRS) section 355.170 1.(c) shifted the credit rating requirement "for investment in a bond, note or other obligation publicly issued in the United States by a foreign financial institution, corporation or government" from "AA" to "A".

2) In Section 8.1.4, removed the language referencing “is publicly traded”. NRS eliminated the requirement that the issuer of these aforementioned investments be publicly traded.

The recommended policy revisions were reviewed by the City’s Financial Advisory Board (FAB) at their October 13, 2022 meeting and the FAB voted to recommend approval and adoption of the policy as revised.

Financial Implications:

None at this time.

Legal Implications:

NRS 355.175(1) authorizes the governing body of any local government or agency to direct its treasurer or other appropriate officer to invest its money or any part thereof in any investment permitted under NRS 355.170.

Recommendation:

Staff recommends adoption of the revised Investment Policy for the City of Reno and the Redevelopment Agency of the City of Reno.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Investment Policy Draft

Investment Policy Draft (Redline)