CITY OF SURPRISE
Regular City Council Work Session
16000 N. Civic Center Plaza
Surprise, AZ 85374
Tuesday, March 21, 2023 @ 4:00 PM
COUNCIL CHAMBERS

A. Call To Order

B. Roll Call

C. Pledge of Allegiance

D. Proclamation and Community Acknowledgements

E. City Manager Report

F. City Clerk Report

G. Call To The Public

INSTRUCTIONS: In order to address the City Council, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the City Clerk before the meeting begins.
Download the Call to the Public form (PDF download requires Adobe Acrobat Reader)
Fill out the Call to the Public form online If submitting form electronically, please submit to City Clerk at least one hour before the meeting start time.
The Call to the Public form is also available at the front counter.

Note: A.R.S. 38-431.01(H)- During this time members of the public may address City Council only on issues within the jurisdiction of the City Council which are not an item on the agenda. At the conclusion of the open call, City Council may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

Approval of items on the Consent Agenda – all items with an asterisk (*) are considered to be routine matters and will be enacted by one motion and one roll call vote to the City Council. There will be no separate discussion on these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda.

Please be aware that Council Members may not discuss or respond to matters raised during call to the public that are not specifically identified on the agenda. Council Members may however, in their discretion, discuss or respond to relevant matters raised during a noticed public hearing or agenda item.

H. Regular City Council Work Session Agenda

CONSENT AGENDA:

REGULAR AGENDA ITEM - PUBLIC HEARING:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

1.	Citywide	Presentation and discussion regarding updates to our Investment Advisor and policy.	None Andrea Davis Finance
2.	Citywide	Presentation and discussion pertaining to the FY2024 Budget Department Overview - Public Works, Transportation, Water Resource Management, and Community and Economic Development Departments.	None Andrea Davis Finance

I. Other Business and Future Agenda Items

J. City Council Reports

K. Executive Session

For information Purposes; Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, but for only the following purposes:

- discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- discussion or consideration of records exempt by law from public inspection (A.R.S. §38-401.03 (A)(2));

L. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Thursday, March 16, 2023 @ 1:30 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.

CITY OF SURPRISE
Regular City Council Work Session

Council Meeting Date: March 21, 2023	Contact Person: Andrea Davis, DIRECTOR - FINANCE
Submitting Department: Finance	District: Citywide
Staff Recommendations: None	

Consent: No | Regular: Yes | Public Hearing: No | Report/Discussion: No

Agenda Wording:
Presentation and discussion regarding updates to our Investment Advisor and policy.

Motion:
None, Discussion only.

Background:
The investment of public monies is regulated by Title 35 of Arizona Revised Statutes (A.R.S). Investment policies are an important element of sound financial principles which demonstrate the City's commitment to invest public monies in a manner that will maintain the safety of principal, maintain liquidity, and provide an industry benchmark yield.

The City's Investment Policy was initially adopted by Resolution #04-171 on August 26, 2004, it was first amended by Resolution #07-62 on May 24, 2007, and then it was amended a second time by Resolution #2018-88 on June 19, 2018.

Objective Analysis:
The City's Investment Policy purpose is to invest public monies in a manner that will maintain the safety of principal, maintain liquidity to meet operating requirements, and provide an industry benchmark yield.

Policy Compliant:
This item is compliant with City and Council policies.

Financial Impact:
The financial impact will vary on the market with the intent of investing public monies in a manner that will maintain the safety of principal, maintain liquidity to meet operating requirements, and provide an industry benchmark yield.

Budget Impact:
There is no anticipated budget impact related to this item.

FTE Impact:

The number of full-time equivalents (FTE) is not impacted by this item.

ATTACHMENTS:

1. 03.21.2023 - City of Surprise Investment Policy Presentation
2. City of Surprise Investment Policy-Redline

Investments Update

City Council Work Session
March 21st

INVESTMENTS UPDATE

1. New Investment Advisor
    - Public Trust Advisors
        - Ash Mehta
2. Policy Changes

PUBLIC TRUST ADVISORS - WHO WE ARE

AUM

$64.94B

As of 12/31/2022

75+

Clients

Colorado
Corporate Headquarters

Source: Public Trust Advisors. Data as of December 31, 2022. All information is assumed to be correct, but the accuracy has not been confirmed and therefore is not guaranteed to be correct. The data in this presentation is unaudited. Please refer to the disclosure slide of this presentation for more information.

KEY PROFESSIONALS

Investment Advisory

Ash Mehta
Director
Industry Experience
19 Years

Chris DeBow
Managing Partner
Industry Experience
25 Years

Portfolio Management

Mark Creger
Director, Portfolio Management
Industry Experience
26 Years

Manuel San Luis
VP, Portfolio Management
Industry Experience
16 Years

Credit Research

Kevin Berents
Head of Credit Research
Industry Experience
16 Years

Patrick Edler
Senior Credit Analyst
Industry Experience
6 Years

Compliance, Reporting, & Operations

Jen Welsh
CCO & General Counsel
Industry Experience
21 Years

Christa Kronquist
Director of Operations
Industry Experience
27 Years

Barry Howsden
Director, Compliance
Industry Experience
28 Years

Jen Gosselin
Vice President, Operations
Industry Experience
28 Years

Information as of December 31, 2022. Please refer to the disclosure slide of this presentation for more information.

GOAL OF AN INVESTMENT POLICY

- Guide the investment of public monies in a manner that will:
  - Maintain the safety of principal
  - Maintain liquidity
  - Provide industry benchmark yield

Please refer to the disclosure slide of this presentation for more information.

STATUTORY AUTHORITY

- Arizona Revised Statutes -Title 35 – Public Finances
  - Governs the investment of public monies
  - Defines eligible investments
  - Sets the maximum maturity of five years for an investment of public monies

Please refer to the disclosure slide of this presentation for more information.

POLICY CONTENT

- Investment management authority
- Delegation of authority
- Policy adoption
- Internal control
- Prudence
- Policy objectives
- Authorized investments
- Safekeeping and custody
- Ethics and conflicts of interest
- Authorized brokers and dealers
- Reporting

Please refer to the disclosure slide of this presentation for more information.

RECOMMENDED POLICY CHANGES

- Streamline policy language
  - Facilitate application of policy
  - Example: Updated Asset Class and Maximum Issuer allocation percentages
  - Example: Updated Liquidity language to allow for additional investments when prudent

Please refer to the disclosure slide of this presentation for more information.

RECOMMENDED POLICY CHANGES

- Adjusted City investment benchmarks:
  - Added allocations to additional asset classes
  - Examples: Commercial paper, Corporate Bonds

Please refer to the disclosure slide of this presentation for more information.

RECOMMENDED POLICY CHANGES

- Modify Language regarding Credit Downgrades
- Clarify language to eligible money market funds
- Reduce maximum allocation to municipal debt
- Expand language around Benchmark tracking

Please refer to the disclosure slide of this presentation for more information.

DISCLOSURES

Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Performance comparisons will be affected by changes in interest rates. Investing involves risk including the possible loss of principal. The presentation is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. All calculations and results presented and are for discussion purposes only and should not be used for making and calculations and/or decisions. Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

This presentation is for informational purposes only. The information contained herein has been obtained from sources that we believe to be reliable, but its accuracy and completeness are not guaranteed. The materials in the attached are opinions of Public Trust Advisors, LLC and should not be construed as investment advice. Public Trust is required to maintain a written disclosure brochure of our background and business experience. If you would like to receive a copy of our current disclosure brochure, privacy policy, or code of ethics please contact us. There is no guarantee that investment strategies will achieve the desired results under all market conditions, and each investor should evaluate its ability to invest long-term, especially during periods of a market downturn. This information may contain statements, estimates, or projections that constitute “forward-looking statements” as defined under U.S. federal and other jurisdictions’ securities laws. Any such forward looking statements are inherently speculative and are based on currently available information, operating plans, and projections about future events and trends. As such, they are subject to numerous risks and uncertainties.

All data prior to the below dates are from the previous investment advisor. As both investment advisors adhered to the investment policy there may be variances in yield, weighted average maturities, and portfolio composition due to differing investment style.

Public Trust Advisors
717 17th Street, Suite 1850
Denver, Colorado 80202

SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You

SURPRISE ARIZONA	~~Standard Operating Procedure~~ **INVESTMENT~~S~~ POLICY**

PROCESS: Investment Activities With Public Monies		
POLICY REFERENCE: Arizona Revised Statutes (ARS) Title 35; City of Surprise, Arizona Comprehensive Financial Management Policies; Governmental Accounting Standards Board (GASB)~~Generally Accepted Accounting Principles (GAAP)~~		
ISSUE DATE: August 26, 2004 Resolution 04-171	**LAST AMENDED DATE:** ~~June 19, 2018~~ ~~Resolution 2018-88~~	**EFFECTIVE DATE:** ~~July 19, 2018~~ ~~Resolution 2018-88~~
FINANCE DIRECTOR APPROVAL:		

GENERALLY

The City will consolidate public monies identified for investment from governmental funds, proprietary funds, and internal service funds in order to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs, and administration costs. Funds that are contractually or statutorily restricted from investment activities will be exempted from this policy. Investment income will be allocated to the various funds based on their respective participation of cash balances and in accordance with Governmental Accounting Standards Board (GASB). The investment of public monies is regulated by Title 35 of Arizona Revised Statutes (A.R.S.).

PURPOSE

This policy applies to the investment activities of the City of Surprise with the intent to invest public monies in a manner that will maintain the safety of principal, maintain liquidity to meet operating requirements, and provide an industry benchmark yield.

DEFINITIONS

Benchmark ~~-~~ – a comparative base for measuring the performance or risk tolerance of the investment portfolio which should represent a close correlation to the level of risk and the average duration of the portfolio's investments

Broker~~–~~ – ~~a~~a third-party who brings buyers and sellers together for a commission

Certificates of Deposit (CD) ~~-~~ – ~~-~~ a marketable receipt for funds deposited in a bank or thrift institution for a specific time period at a stated rate of interest

Credit Risk ~~-~~ – the risk of loss due to the failure of the security issuer or backer

Dealer ~~-~~ – as opposed to a broker, a third~~-~~-party who acts as a principal in all transactions, buying and selling his own account

Delivery vs. Payment (DVP) ~~-~~ – delivery of securities with an exchange of money for the securities

Delivery vs. Receipt (DVR) ~~-~~ – delivery of securities with an exchange of a signed receipt for the securities

Diversification ~~-~~ – dividing investment funds among a variety of securities offering independent returns

Interest Rate Risk ~~-~~ – the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase

Investment Advisor ~~-~~ – ~~-~~an investment firm with demonstrated expertise in the management of investment portfolios that acts as a fiduciary for client assets and held to the "Prudent Expert" standard of care; registered with and regulated by the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940; and compensated on the basis of assets under management, not transactions

Liquidity ~~-~~ – an asset that can be converted easily and rapidly into cash without a substantial loss of value

Market Value ~~-~~ – the price at which a security is trading and could probably be purchased or sold

Maturity ~~-~~ – the date upon which the principal or stated value of an investment becomes due and payable

Nationally Recognized Statistical Ratings Organization (NRSRO) – a national credit rating agency that provides reliable and credible credit ratings that are used by the U.S. government in several regulatory areas, used frequently by investors, and used as benchmarks by federal and state agencies

Pooled Investment Fund ~~-~~ – the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment

Portfolio ~~-~~ – collection of securities held by an investor

Primary Dealer ~~-~~ – ~~a~~a group of government securities dealers including the SEC, registered securities brokers, dealers, banks, and a few unregulated firms, who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight

Prudent Person Rule ~~-~~ – an investment standard that, depending on the state, requires either a) that a fiduciary, such as a trustee, invest money only in a list of securities selected by the custody state, also known as the "legal list" or b) that the trustee invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of principal

Public Monies – money that is generated or levied by a governmental agency to provide goods and services for public purposes

Safekeeping – ~~a~~a service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection

Securities & Exchange Commission (SEC) – an agency created by Congress to protect investors in securities transactions by administering securities legislation

Uniform Net Capital Rule – SEC Rule 15C3-1 outlining capital requirements for brokers and dealers

Yield – the current rate of return on an investment security generally expressed as a percentage of the security's current price

Yield to Maturity – the rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return

POLICIES

1. Investment Management Authority

   a. Authority to manage the investment program of the City is granted to the Finance Director or his/her designee and derived from the A.R.S. § 35-323.

2. Delegation of Authority

   a. The Finance Director shall have responsibility for the operation of the investment program and shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy. No person may engage in investment transactions except as provided under the terms of this policy and the procedures established by the Finance Director.

   b. The Finance Director has the authority to manage internally or to delegate the management of the investment program to an investment advisor. If authority to manage all or a part of the investment program of the City is delegated to an investment advisor, the Finance Director is responsible for:

      i. Periodic investment portfolio reporting

      ii. Evaluating the performance of the externally managed portfolio

      iii. Monitoring the investment advisor's compliance with the City's Investment Policy

      iv. Conveying the investment needs of the City to the investment advisor

v. Developing investment strategy with the investment advisor

2. Investment Policy Adoption

   a. The City's Investment Policy shall be adopted by City Council. The Policy shall be reviewed on an annual basis by the Finance Director when applicable, and any modifications made must be approved and adopted by the City Council.

3. Internal Control

   a. The Finance Director shall establish internal controls that are designed to prevent losses due to fraud, negligence, third-party misrepresentation, and other foreseeable circumstances that may arise in the operations of the investment function. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that a) the cost of a control should not exceed the benefits likely to be derived and b) the valuation of costs and benefits requires estimates and judgments by management.

   b. The internal controls shall address the following points:

      i. Control of collusion
      ii. Segregation of duties
      iii. Custodial safekeeping
      iv. Delegation of authority
      v. Documented confirmation of transactions for investments and wire transfers

4. Prudence

   a. The standard of prudence to be used by investment officials shall be the "uniform prudent act" standard and shall be applied in the context of managing an overall portfolio. The Finance Director, acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and sale of securities are carried out in accordance with the terms of the City's Investment Policy.

5. Investment Policy Objectives

   a. The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

      i. Safety

         a. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to prudently mitigate credit risk and interest rate risk.

         b. Credit risk can be mitigated by diversification of the investment portfolio.

c. Interest rate risk can be mitigated by structuring the investment portfolio so that securities mature concurrently with the anticipated cash flow requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities into an adverse market environment prior to maturity, and utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.

ii. Liquidity

a. The investment portfolio shall remain sufficiently liquid to meet anticipated cash flow requirements. This is to be accomplished by structuring the portfolio so that securities mature concurrently with anticipated cash flow needs. In addition, the City will maintain sufficient balances in short-term investment vehicles to provide liquidity for known and reasonably anticipated liquidity needs. The remainder of the portfolio shall be invested in a core strategy of appropriate maturity and duration.

iii. Yield

a. The investment portfolio shall be designed to optimize the yield the City obtains from the portfolio, taking into account the criteria of the City's Investment Policy, the liquidity needs of the City, and the current interest rate outlook/economic condition while remaining compliant with the policy.

6. Authorized and Eligible Investments for Public Monies

a. Consistent with the City's Policy Section 5 Investment Policy Objectives and A.R.S. § 35-323 (A), only the following investments will be permitted (only the following investments with a remaining term to maturity of five years or less will be permitted.):

i. Certificates of deposit in eligible depositories - 50% sector limit, must be insured or fully collateralized.

ii. Interest bearing savings accounts in banks and savings and loan institutions doing business in the State of Arizona whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under A.R.S. § 35-323 (A).

~~ii.~~iii. Securities of or any other interests in any open-end management type investment company whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended. Securities authorized by this section shall be limited to money market mutual funds whose underlying investments are limited to those defined in section 6.a.v of this Investment Policy.

~~iii.~~iv. The pooled investment funds established by the State Treasurer pursuant to A.R.S. § 35-326.

~~iv.~~v. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

~~v.~~vi. Bonds or other evidences of indebtedness of the State of Arizona or any of its counties, incorporated cities, towns, school districts, or special taxing districts, including registered warrants, substitute checks, and electronic funds transfers that bear interest pursuant to section A.R.S. § 11-635. - ~~40~~25% [LR1]sector limit, 5% issuer limit.

~~vi.~~vii. Bonds, notes, or evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district within the State of Arizona that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment. Investments in this category must be rated "A/A2" or the equivalent or better by a NRSRO - ~~40~~25% sector limit, 5% issuer limit.

~~vii.~~viii. Bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district in the State of Arizona to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. Investments in this category must be rated "A/A2" or the equivalent or better by a NRSRO - ~~40~~25% sector limit, 5% issuer limit. An investment shall not be made if:

a. The face value of all such obligations, and similar obligations outstanding, exceeds 50% of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

ix. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States. Investments in this category shall be subject to a 10% sector limit and a 2% issuer limit. [LR2]

x. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A/A2" or better rating, at the time of purchase, from at least two nationally recognized rating agencies. Investments in this category shall be subject to a 10% sector limit and a 2% issuer limit.

b. Investment Rating Downgrade

i. Should the credit rating of a security owned by the City be downgraded to a level below that required by this Investment Policy, the City will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain a downgraded security, it will be closely monitored by the City and included in the quarterly investment report.

~~i. The City may be invested in a security whose rating is downgraded by a NRSRO. In the event of a downgrade, the designated investment advisor shall report the downgrade to the Finance Director. In the event of a downgrade below the minimum credit rating criteria permitted by this Investment Policy, the designated investment advisor shall immediately report the downgrade, sell the investment and reinvest proceeds upon approval of Finance Director.~~

c. Portfolio Management

i. Following the primary objective of this policy, investments shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity at realized gains or losses to provide ~~securities may be sold prior to their maturity to provide~~ liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or reduce risk.

d. Concentration and Diversification

i. Any percentage sector or issuer limitations for a particular category of investment in this section is applicable only on the date of purchase of the investment. Credit criteria listed in this section refer to the credit of the issuing organization at the time the security is purchased.~~Any percentage sector limitation for a particular category of investment in this section is applicable only on the date of purchase of the investment. Credit criteria listed in this section refer to the credit of the issuing organization at the time the security is purchased.~~

ii. It is the policy of the City to diversify its investment portfolios. The investments shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, issuer, or class of securities.

7. Safekeeping and Custody

   a. Delivery vs. Payment

      i. All trades of marketable securities will be executed (cleared and settled) on a Delivery vs. Payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

   b. Third Party Safekeeping

      i. Securities will be held by an independent third party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the name of the City of Surprise.

8. Ethics and Conflicts of Interest

   a. City employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program or which could impair his/her ability to make impartial investment decisions. Employees and investment officials shall disclose, within sixty (60) days, any material interests in financial institutions with which they conduct business. They shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

9. Authorized Brokers/Dealers

   a. The City or the City's investment advisor will maintain a list of approved security broker/dealers selected by conducting a process of due diligence. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (Uniform Net Capital Rule).

   b. If the City maintains a list, all broker/dealers who desire to become qualified for investment transactions must supply the following:

      i. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
      ~~i.~~

      ii. Proof of Financial Industry Regulatory Authority (FINRA) certification

      iii. Proof of state registration

      iv. Completed broker/dealer questionnaire

v. Certification of having read and understood and agreeing to comply with the City's Investment Policy.

vi. Evidence of adequate insurance coverage

c. A periodic review of the financial condition and registration of all the City's qualified broker/dealers will be conducted by the Finance Director. If the City uses an investment advisor, the Finance Director may request to periodically review the advisor's approved broker/dealer list.

10. Reporting of Managed Securities

a. The Finance Director or his/her designee shall publish a quarterly investment report on the City's public website for the governing body of the City to review. The report should include:

   i. A list of individual securities held at the end of the reporting period
   ii. The realized and unrealized gains or losses in the portfolio
   iii. The duration of the portfolio
   iv. The maturity date and market value of each security held in the portfolio
   v. The yield to maturity of the portfolio and of each security held in the portfolio
   vi. The periodic interest earnings of each security held in the portfolio
   vii. The credit quality of each security held in the portfolio

CITY OF SURPRISE
Regular City Council Work Session

Council Meeting Date: March 21, 2023

Contact Person: Andrea Davis, DIRECTOR - FINANCE

Submitting Department: Finance

District: Citywide

Staff Recommendations: None

Consent: No | Regular: Yes | Public Hearing: No | Report/Discussion: No

Agenda Wording:

Presentation and discussion pertaining to the FY2024 Budget Department Overview - Public Works, Transportation, Water Resource Management, and Community and Economic Development Departments.

Motion:

None, Discussion only.

Background:

This is the fourth in a series of presentations regarding the development of the FY2024 Budget. This presentation will focus on the overview of the City departments, including Public Works, Water, Community and Economic Development.

Objective Analysis:

The information presented will lead to future discussions around the FY2024 budget and will assist the Mayor and City Council with making informed decisions about future operations.

Policy Compliant:

This presentation is consistent with City and Council policy and falls in line with the state budget adoption timeline.

Financial Impact:

The information presented is intended to encourage discussion which will have an impact on future operations and capital improvement plans.

Budget Impact:

The information presented is intended to encourage discussion which will have an impact on the FY2024 City Manager Recommended budget/Tentative budget.

FTE Impact:

The number of full time equivalents (FTE) is not impacted by this item.

ATTACHMENTS: