



CITY OF BELMONT INVESTMENT POLICY

TO: Belmont City Council
Belmont City Manager

FROM: Grace Castaneda, Finance Director/City Treasurer

RE: Annual Investment Policy

DATE: February 11, 2025

1.0 Policy:

It is the policy of the City of Belmont to invest public funds in a manner which will maximize security, followed by meeting the daily cash flow demands of the entity and then provide the highest investment return consistent with, and conforming to, all state and local statutes governing the investment of public funds.

2.0 Scope:

This investment policy applies to all investments as defined by the State of California Government Code accounted for in the City of Belmont's Annual Comprehensive Financial Report.

3.0 Prudence:

Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the 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 appropriate action is taken to control adverse developments.



4.0 Objectives:

The primary objectives, in priority order, of the City of Belmont's investment activities shall be:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Belmont shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, **diversification** is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Funds invested with the California Local Agency Investment Fund administered by the California State Treasurer meet this requirement for diversification.
- 4.2 **Liquidity:** The City of Belmont's investment portfolio will remain sufficiently liquid to enable the City of Belmont to meet all operating requirements as reasonably anticipated.
- 4.3 **Return on Investments:** The City of Belmont's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City of Belmont's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority:

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director/City Treasurer. The Finance Director/City Treasurer shall be responsible for all investment transactions undertaken and shall establish a system of internal controls to regulate the activities of authorized personnel.

6.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Belmont City Clerk any material financial interests in financial institutions that conduct business within this jurisdiction.



7.0 Reporting:

The Finance Director/City Treasurer shall provide to the City Council monthly investment reports which provide a clear picture of the status of the current investment portfolio.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Final maturity of all investments listed.
- Coupon, discount, or earnings rate.
- Par value and market value.

8.0 Investment Policy Adoption:

The City of Belmont's investment policy shall be accepted by the City Council. The policy shall be reviewed annually, and any modifications made thereto must be approved by the City Council.