



# AGENDA REPORT

Finance Department

<b>DATE:</b>	September 10, 2024
<b>TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Andrea Miller, Director of Finance Mubeen Qader, Deputy Director of Finance Jerry Gurule, Accounting Manager
<b>Subject:</b>	Investment and Cash Balance Report, Monthly Overtime Reports, and Documentary Transfer Tax Report for the Month of June 2024
<b>FINANCIAL IMPACT:</b>	There is no fiscal impact due to this agenda item.
<b>PREVIOUS COUNCIL ACTION:</b>	N/A
<b>STATEMENT OF THE ISSUE:</b>	City staff is requesting that the City Council receive the City's Investment and Cash Balance Report, Monthly Overtime Reports, and Documentary Transfer Tax Report for the month of June 2024.
<b>RECOMMENDED ACTION:</b>	RECEIVE the City's Investment and Cash Balance Report, Monthly Overtime Reports, and Documentary Transfer Tax Report for the month of June 2024 – Finance Department (Andrea Miller 510-620-6740).

## DISCUSSION:

### Investment and Cash Balance Report

It is the policy of the City of Richmond (City) to invest public funds in a manner which prioritizes safety and liquidity over yield while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public

funds. In accordance with California Government Code Section 53646 and the City's Investment Policy, the Director of Finance shall report monthly on the City's pooled and Bond funds to the City Manager and City Council and shall report quarterly on other investments.

The Investment and Cash Balance Report is a monthly report of the City's pooled cash balance which include General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal service, Trust & Agency, Redevelopment/Successor Agency, and any other Funds investment activities under the direction of the City.

The Portfolio Management Report represents the monthly bank balances, along with market balances of permitted investments according to the City's Investment Policy. Investment in the Local Agency Investment Fund (LAIF), CalTrust, money market, agency bonds, certificates of deposits, and corporate notes are all allowable by California Government Code Section 53601 and permitted according to the City of Richmond's Investment Policy updated October 17, 2023.

This investment report was prepared after the April 30, 2024, Special City Council meeting where direction was provided to add additional restrictions to the City of Richmond's Investment Policy and reflects the portfolio as of June 30, 2024. Based on the policy direction received during the special City Council meeting, City Council directed City staff to review and modify the City of Richmond's Investment Policy to add additional restrictions eliminating the investment of City funds in industries that facilitate violence, war, oppression, and apartheid. City staff has been directed to present Investment Policy modifications and recommendations for socially responsible investments to City Council for consideration which will occur at the September 24, 2024, City Council meeting.

The City is allowed to prefund future Pension and Other Post-Employment Benefits (OPEB) costs in accordance with the City's Pension and OPEB policies. These funds are invested according to the policies funding objectives and funding guidelines. The City maintains a Section 115 Combination Trust for City-OPEB & Pension administered by Public Agency Retirement Services (PARS) and a California Employers' Retiree Benefit Trust (CERBT) administered by California Public Employees' Retirement System (CalPERS) for RPOA-OPEB. Each Trust is comprised of a diversified portfolio of investments consistent with the Trust's objectives and liquidity requirements.

### **Overtime Reports**

The overtime reports for the month of June 2024 provides a summary of budget-to-actual overtime usage by department for miscellaneous and sworn staff. Year-over-year and month-over-month totals are included for sworn staff.

## **Documentary Transfer Tax**

At the June 24, 2024, City Council budget hearing, City Council requested monthly updates of the Documentary Transfer Tax received by the City of Richmond from the County of Contra Costa for the sale of properties in Richmond. As this being the most volatile revenue stream for the City, the amounts received month-to-month can vary from approximately \$300,000 to over \$3 million. As shown in the report, a few large sales can alter the amount received by millions.

For FY 2023-24, the City budgeted \$13.3 million in the Documentary Transfer Tax category and only received \$8.6 million, equating to a difference of \$4.7 million.

### **DOCUMENTS ATTACHED:**

Attachment 1 – Investment and Cash Balance Report for June 2024

Attachment 2 – Overtime Report for June 2024

Attachment 3 – Overtime Public Safety Report for June 2024

Attachment 4 – Documentary Transfer Tax Report for June 2024