

# City of Richmond Investment Policy Update



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# Introduction

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- At the special City Council meeting on April 30, 2024, 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.
- After research City staff developed four new restrictions to address the City Council's concerns around socially responsible investments while complying with the text included in AB 2844:

# New Investment Restrictions

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- Restrictions on Investments
  - No investment in companies facilitating violence, war, oppression, and apartheid
  - No investment in companies developing and manufacturing arms and weapons
  - No investment in companies involved in border and mass surveillance industries
  - No investment in companies involved in mass incarceration and detention industries
  - No investment in companies using prison labor to manufacture products

# Actions Taken by City Staff

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- Director of Finance sent letters to relevant financial institutions:
  - CalTRUST
  - Local Agency Investment Funds (LAIF)
  - Mechanics Bank
- Revised Investment Policy submitted to California Municipal Treasurers Association for professional guidance and certification

# Summary of Responses from Investment Pools/Banks

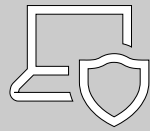
- CalTRUST Response
  - Unable to certify compliance with City's specific investment policy
  - Can only certify compliance with CalTRUST Investment Policy
  - Pooled investment funds cannot place additional screens or restrictions
- LAIF Response
  - PMIA does not currently hold any names listed on City's policy
  - Not prohibited from purchasing commercial paper issued by names on PMIA list
- Mechanics Bank Response
  - Will comply with City's updated investment policy restrictions
  - Accounts are collateralized bank deposit accounts
  - Do not invest City's funds, only back deposits with collateral

# December 2024 Investment Report



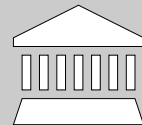
Total Pooled Cash  
Balance

\$334 million as of  
December 2024



General Checking  
Account

\$16 million



Investment Accounts

\$318 million



# Revised Investment Policy Submission to CMTA

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- Adoption of Revised Investment Policy
  - City Council adopted the revised policy in December 2024
  - Submitted to California Municipal Treasurers Association (CMTA) for certification
- CMTA Investment Policy Certification Program
  - Developed with support from California Debt and Investment Advisory Commission (CDIAC)
  - Provides professional guidance and assistance
  - Aims to meet industry best practices for public sector agencies and districts in California



# Benefits of Certification

- Trust, confidence and verification to your Governing Body that your policy has been reviewed and certified by a professional organization within California
- Your policy has been reviewed by fellow CMTA members, many of which have earned the Certified California Municipal Treasurers (CCMT) designation.
- To show transparency of your Governing Body to the public
- To demonstrate that due diligence was performed on your Investment Policy
- California Government Code sections are included (cited) in policy
- Assist to satisfy auditors when reviewing your Investment Policy
- Eighteen areas of Investment Policies are addressed: Scope, Prudence, Objective, Delegation of Authority, Ethics and Conflicts of Interest, Authorized Financial Dealers and Institutions, Authorized and Suitable Investments, Review of Investment Portfolio, Investment Pools/Mutual Funds, Collateralization, Safekeeping and Custody, Diversification, Maximum Maturities, Internal Controls, Performance Standards, Reporting, Investment Policy Adoption and Glossary

# Certification Results and Next Steps

The City of Richmond received the results of the investment policy submission on February 19, 2025, with a score of 80 out of 100. CMTA provided grading rubrics along with suggestions and examples to strengthen the current policy. The City of Richmond has 90 days (until May 19th) to re-submit the policy at no charge. Staff have incorporated the suggestions into the investment policy provided by CMTA for Council Approval prior to resubmitting for certification.

## Recommended Action

RECEIVE update on Investment Policy follow up action items and  
ADOPT Revised Investment Policy incorporating CMTA edits. –  
Finance Department (Andrea Miller 510-620-6740).

# Next Steps

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- Continued Exploration of Options
  - Staff will refine the investment strategy
  - Based on the revised Investment Policy
- Updates to City Council
  - Significant changes around investments will be reported
  - City Council will be provided with updates

# Thank you!



Questions?