

**CITY OF SIMI VALLEY
STATEMENT OF INVESTMENT POLICY
MARCH 2015**

1.0 MISSION STATEMENT

It is the policy of the City of Simi Valley (City), the Ventura County Waterworks District No. 8 (District), The Simi Valley Successor Agency (Agency), the Simi Valley Industrial Development Authority, the Simi Valley Public Financing Authority, The Simi Valley Public Facilities Financing Authority (together the "Authorities"), and the Simi Valley Public Library (Library) to manage public funds in a manner consistent with the following objectives: comply with all laws of the State of California pertaining to the investment of public funds; safeguard the principal of funds under its control; meet the daily cash flow requirements pledged to the payment or security of bonds or other indebtedness of the City, District, Agency, Authorities, and Library; and achieve a reasonable rate of return.

2.0 SCOPE

This investment policy applies to all investment activities and financial assets of the City, District, Agency, Authorities, and Library. These funds are accounted for in the City's audited Comprehensive Annual Financial Report, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards, and include:

2.1 Funds Included in This Policy

2.1.1 General Fund

2.1.2 Special Revenue Funds

2.1.3 Debt Service Funds

2.1.4 Capital Projects Funds

2.1.5 Enterprise Funds

2.1.6 Internal Service Funds

2.1.7 Trust and Agency Funds

2.1.8 Any new funds created by the City Council *unless specifically exempted*

2.2 Funds Excluded from This Policy:

2.2.1 Deferred Compensation Funds

2.2.2 Pension and OPEB Trust Funds: In general, bond proceeds and funds held by Trustees or Fiscal Agents are invested according to the bond documents applicable to each bond issue or plan administration documents for trusts and are handled independently from the operating cash function because these funds have different investment horizons, objectives, or restrictions than operating cash.

3.0 PRUDENCE

Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, 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.

The standard of prudence to be used by investment officials shall be the “**prudent investor standard/prudent person rule**” 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

In compliance with California Government Code Section 53600.5, the primary objectives, in priority order, of the City’s investment activities are:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

4.2 Liquidity: The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.

4.3 Return on Investment: The City’s investment policy shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Pursuant to Chapter 3-3 of the City of Simi Valley Municipal Code, the City Treasurer has been authorized to invest on behalf of the City, District, Agency, Authorities, and Library funds in accordance with California Government Code Sections 53601 and 53635. Management responsibility for the investment program is hereby delegated to the Director of Administrative Services/Deputy City Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the Director of Administrative Services/Deputy City Treasurer. Prior to investing, the cash flow requirements of the City, District, Agency, Authorities, and Library will be considered, and only securities that will not adversely affect the liquidity of the investment portfolio will be purchased.

Unless otherwise specifically designated by the City Council, the only officials authorized to undertake investment transactions on behalf of the City, District, Agency, Authorities, and Library are the City Manager/City Treasurer, Assistant City Manager and the Director of Administrative Services/Deputy City Treasurer. Further; under the direction of the Deputy Director/Fiscal Services Division, Fiscal Services management staff are authorized to approve investment transactions on behalf of the City, District, Agency, Authorities, and Library.

Unless otherwise specifically designated by the City Council, the actual disbursement of funds for the placement of individual investments shall be initiated by an authorized officer and approved by a different authorized officer according to previously appointed and authorized entitlements for wire transfers for the electronic disbursement of funds. Further, no person may engage in an investment transaction except as provided under the terms of the City's Statement of Investment Policy.

As authorized by bond documents, the Trustee or Fiscal Agent is the authorized investment officer on behalf of the City, District, Agency, Authorities, and Library for the investment of funds pledged to the payment or security of bonds or other indebtedness. Further, the Trustee or Fiscal Agent shall undertake the actual disbursement of funds for the placement of individual investments.

5.1 Investment Procedures: The Department of Administrative Services shall establish a separate written investment procedures manual, the Treasury Services Operating Manual, for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, Securities Industry and Financial Markets Association (SIFMA) repurchase agreements, wire transfer agreements, banking service contracts, cash flow forecasting, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Administrative Services/Deputy City Treasurer.

It is expected that the Trustees and Fiscal Agents shall maintain a procedures manual consistent with the industry standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

The City Treasurer, Deputy City Treasurer, and other 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. The City Treasurer, Deputy City Treasurer, and investment officials shall disclose to the Assistant City Clerk any material financial interests in financial institutions that conduct business within their jurisdictions, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City, District, Agency, Authorities, or Library.

The City Treasurer, Deputy City Treasurer, and other investment officials are required to file annual disclosure statements (Statement of Economic Interests – California Form 700) as required by the Fair Political Practices Commission (FPPC). During the course of the year, if there is an event subject to disclosure that could impair the ability of the City Treasurer, Deputy City Treasurer, or other investment officials to make impartial decisions, the City Council will be notified in writing within ten (10) days of the event.

Trustee and Fiscal Agent investment officers shall refrain from personal business activity that could conflict with proper execution of the investment of funds pledged to the payment or security of bonds or other indebtedness, or which could impair their ability to make impartial investment decisions. Trustee and Fiscal Agent investment officers shall disclose to the City any material financial interest in financial institutions that conduct business within the jurisdiction, and they shall further disclose any large personal financial/ investment positions that could be related to the performance of the investment securities, particularly with respect to the timing of investment security purchases and sales.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Director of Administrative Services/Deputy City Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers, selected by credit worthiness, who are authorized to provide investment services in the State of California. These shall include broker/dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No deposit shall be made except as established by California laws.

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved broker/dealers. Such broker/dealers will comply with the selection criteria above and the list of approved firms shall be provided to the City on an annual basis or upon request.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, any authorized broker/dealer from whom a competitive bid is obtained for the transaction will attest in writing that he/she has received a copy of and will abide by this policy and each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form that includes the firm's most recent financial statements. The Investment Advisory group shall investigate all institutions that wish to do business with the City, District, Agency, Authorities, and Library in order to determine if they are adequately capitalized, deal in securities appropriate to the City's, District's, Agency's, Authorities', and Library's needs, and agree to abide by the conditions set forth in this Statement of Investment Policy. The results of the evaluation will be forwarded to the Director of Administrative Services/Deputy City Treasurer for final approval and designation of the institution as eligible for the placement of the City's, District's, Agency's, Authorities', and Library's investments.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

From a governing body perspective, special care must be taken to ensure that the list of authorized investment instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The investments set forth in this section are authorized investments pursuant to Sections 53601 and 53635 of the California Government Code and are authorized investments for the City, District, Agency, Authorities, and Library subject, however, to the prohibitions and limitations set forth in Sections 8.1 and 8.2 of this Statement of Investment Policy.

Investment Type	State Code Limits		City Portfolio Limits	
	Max. Maturity	Authorized Limit	Max. Maturity	Authorized Limit
Local Agency Bonds	5 Years	100%	5 Years	100%
U.S. Treasury Bills, Notes, and Bonds	5 Years	100%	5 Years	100%
CA State Registered Warrants	5 Years	100%	5 Years	100%
Notes and Bonds of other States	5 Years	100%	5 Years	100%
Federal Agency Bonds	5 Years	100%	5 Years	100%
Bankers' Acceptances	180 Days	40%	180 Days	40%
Commercial Paper	270 Days	25%	None	None
Negotiable CD's	5 Years	30%	5 Years	30%
Private Deposit Placements	5 Years	30%	5 Years	30%
Repurchase Agreements	1 Year	100%	None	None
Reverse Repurchase Agreements	92 Days	20%	None	None
Medium Term Notes	5 Years	30%	None	None
Money Market Mutual Funds	N/A	20%	N/A	20%
Collateralized Bank Deposits	5 Years	100%	5 Years	25%
Mortgage Pass-through Securities	5 Years	20%	None	None
LAIF	N/A	\$50 Million	N/A	\$50 Million
County Pooled Investment Funds	N/A	100%	N/A	\$50 Million

8.1 Prohibited Investments and Transactions: Pursuant to Section 53601.6, the State of California prohibits the investment of local agency funds in:

- Inverse Floaters
- Range Notes
- Mortgage-Derived Interest-Only Strips
- Supranational Securities
- Any security that could result in zero interest accrual if held to maturity with the exception of investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment.

In addition to those investments prohibited by the State of California, the City Council/ Boards of Directors/Trustees prohibit the investment of funds in the following:

- Commercial Paper
- Repurchase or Reverse Repurchase Agreements
 - With prior approval of the City Council, investment in a repurchase or reverse repurchase and/or securities lending agreement may be used in a prudent manner in order to meet an unforeseen or unexpected cash flow requirement provided that all other investment securities in the portfolio at the time have a lower market value than the actual purchase cost. Under no circumstances shall a reverse repurchase agreement be used as a “leveraging” tool for yield enhancement.
 - A master agreement will be entered into by the City and the primary broker/dealer or with a nationally or state-chartered bank that has or has had a significant banking relationship with the City at the time investment in these investment securities is made.
- Corporate Notes
- Collateralized Mortgage Obligations
- Financial Futures
- Financial Option Contracts

Exclusion of these investment vehicles is consistent with the City Council/ Boards of Directors/Trustees’ overall objectives of achieving reasonable yields on public funds while minimizing risk and capital losses. The potential exists for greater interest yields with these vehicles, and it is believed that the services of investment advisory consultants would provide the necessary risk tolerance to include these instruments in the future.

8.2 Investment Limitations: The City imposes the additional limitations as follows:

- No more than 15% of the City’s portfolio (exclusive of investment in U.S. Treasury Obligations, government agency issues, the State Treasurer’s Local Agency Investment Fund (LAIF), and other investment pools in compliance with California Government Code) shall be placed with any one financial institution.
- No more than 25% of the City’s portfolio shall be invested in Collateralized Bank Deposits issued by Savings and Loan institutions.

- Certificates of Deposit (Negotiable) and Collateralized Bank Deposits placed by the City shall not constitute more than 15% of the total assets of the institution.
- Negotiable Certificates of Deposit placed by the City shall not exceed 5% of the City's portfolio, and no more than \$1 million shall be placed with any one (1) financial institution. Additionally, Negotiable Certificates of Deposit shall only be placed with institutions having total assets in excess of \$200 million and that maintain a ratio of equity to total assets of at least 5%.
- Investments in the State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1, which has a maximum of \$50 million per agency/account. .
- Bond proceeds held by Trustees and Fiscal Agents may be invested in LAIF, other investment pools, and other investment instruments in compliance with California Government Code and the bond indenture documents for each bond issue. For bond proceeds invested in LAIF, the City follows California's provisions stating bond proceeds are one-time deposits, have no maximum deposit amount, and are maintained on thirty day increments.
- To the extent bond documents require an alternate investment program than this investment policy, Trustees and Fiscal Agents shall follow the alternate investment instructions.

8.3 Master Repurchase Agreement: If the City chooses to invest in Repurchase Agreements or Reverse Repurchase Agreements, a Master Repurchase Agreement must be signed with the bank or the broker/dealer prior to any Repurchase or Reverse Repurchase transactions.

8.4 Individual Placement of Investments: Individual placement of investments with eligible financial institutions shall be based on the following practices and procedures:

- With the exception of the State Treasurer's LAIF, other investment pools in compliance with California Government Code, and broker/dealers, investments shall only be placed with national, state-chartered or county financial institutions.
- Except for placements with the State Treasurer's LAIF, other investment pools in compliance with California Government Code, and purchases of new issues of U.S. Treasury Obligations and U.S. Agencies at par value, investments shall be awarded based on competitive bids. The Department of Administrative Services shall maintain documentation relating to investment quotes for three (3) years. Alternatively, when investments can be made using real-time market data to verify a dealer's pricing, usually via access to electronic information sources such as Bloomberg, the competitive bidding is unnecessary.
- Pursuant to California Government Code Section 53601(m), moneys held by a Trustee or Fiscal Agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

9.0 INVESTMENT POOLS

Investment Pools include Mutual Funds, Money Market Mutual Funds, Shares of Beneficial Interest, and Joint Powers Authority Investment Pools. A thorough investigation of any pooled investment fund is required prior to investing. Thereafter, the fund will be monitored on an ongoing basis. To accomplish this objective, a questionnaire is to be used to evaluate the suitability of the pooled fund. The questionnaire will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations, how interest is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program is audited.
- A description of who may invest in the program, how often, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves and/or retained earnings utilized by the pool?
- A fee schedule and when and how it is assessed.
- Is the pool eligible for bond proceeds, and/or will it accept such proceeds?

10.0 COLLATERALIZATION

California Government Code Sections 53651 through 53667 requires depositories to post certain types and levels of collateral for public funds above the Federal Deposit Insurance Corporation (FDIC) insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable time certificates of deposit).

Collateralization will also be required on two (2) other types of investments: bank deposits and repurchase (and reverse repurchase) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest.

An independent third party with whom the City has a current written custodial agreement will always hold collateral. A clearly marked investment confirmation must be supplied by the broker/dealer to the City and retained. The right of collateral substitution is granted.

Pursuant to California Government Code Section 53653, when in his or her discretion local conditions so warrant, the treasurer may waive security for the portion of any deposits as is insured pursuant to federal law, notwithstanding this article. For deposits equivalent to and not less than the maximum amount insured pursuant to federal law for which a treasurer has waived security under this section, a treasurer at his or her discretion may also waive security for the interest accrued on the deposits which, when added to the deposits, would cause the sum of the interest and deposits to exceed the maximum amount insured pursuant to federal law, provided that the interest is computed by the depository on the average daily balance of the deposits, paid monthly, and computed on a 360-day basis.

11.0 SAFEKEEPING AND CUSTODY

To protect against fraud, embezzlement, or losses caused by the collapse of individual securities dealers, all securities owned by the City, District, Agency, Authorities, and Library shall be held in safekeeping by the City's custodial bank, a third-party bank trust department, acting as agent for the City under the terms of a custody agreement. Such custodial bank must be a federal or state association (as defined by Section 5102 of the California Financial Code), a trust company or a state or national bank located within this State or with the Federal Reserve Bank of San Francisco or any branch thereof within this State, or with any Federal Reserve Bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System. Collateral for 10 repurchase agreements will be held by a third-party custodian under the terms of a Public Securities Association (PSA) master repurchase agreement.

All security transactions entered into by the City shall be conducted on a **delivery-versus-payment (DVP)** basis. This procedure ensures that securities are deposited with the third party custodian prior to the release of funds. Securities and collateral will be held by a third-party custodian pursuant to a written custodial agreement with a provider designated by the Director of Administrative Services/Deputy City Treasurer. Investments, as described in Section 8.0 of this Statement of Investment Policy, in the State Pool, in County Pooled Investment Funds, in Joint Powers Authority Pools, or Investment Pools/Shares of Beneficial Interest/Mutual Funds/Money Market Mutual Funds, are undeliverable and are not subject to delivery or third-party custodial safekeeping. The Director of Administrative Services/Deputy City Treasurer shall not be responsible for securities delivered to and receipted by a financial institution until they are withdrawn from the financial institution by the Director of Administrative Services/Deputy City Treasurer.

Investment trades, as they occur but no more than daily, shall be verified against the bank transactions and broker confirmation tickets to ensure accuracy. On a monthly basis, the custodial asset statement shall be reconciled with the month-end portfolio holdings. On an annual basis, the external auditor confirms investment holdings.

12.0 DIVERSIFICATION AND CREDITWORTHINESS STANDARDS

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs. Every effort will be made to:

- Limit investments to avoid over-concentration in securities from a specific issuer;
- Limit investments in securities that have higher credit risks;
- Invest in securities with varying maturities; and

- Continuously invest a portion of the portfolio in readily available funds such as local government investment pools (LAIF and other investment pools in compliance with California Government Code) or money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.
- In regard to Creditworthiness Standards:
- The Department of Administrative Services shall conduct an ongoing review of the financial capacity and creditworthiness of all institutions that the City is currently using for the placement of investments.
- The Department of Administrative Services shall conduct a review of the State Treasurer's LAIF (and other investment pools in compliance with California Government Code) investment report and investment procedures and practices to ensure consistency with the City's primary investment objectives. Further, for each investment pool holding City funds, the Department of Administrative Services shall maintain web access to the most current and available LAIF/investment pool manual that outlines the fund, the permitted investments, and describes the specific processes and procedures pertaining to interest earning, gains, losses, safekeeping, and administrative costs.
- If securities owned by the City are downgraded by Moody's Investors Service, Standard & Poor's Rating Services or Fitch Ratings to a level below AA, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. Furthermore, if a credit rating standard is adhered to at the time of purchase; a later downgrade in credit rating will not constitute a violation of that standard.

13.0 MAXIMUM MATURITIES

In order to minimize the impact of market risk, it is intended that all investments will be held to maturity except as noted below.

To the extent possible, the City, District, Agency, Authorities, and Library shall attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow and in accordance with California Government Code Section 53601, the City, District, Agency, Authorities, and Library will not directly invest in securities maturing more than five (5) years from the settlement date and will invest in accordance with State and local statutes and ordinances. California Government Code Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five (5) years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five (5) year maturity limit. Such approval must be issued no less than three (3) months prior to the purchase of any security exceeding the five (5) year maturity limit.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds.

The City's, District's, Agency's, Authorities', and Library's public funds while in the custody of a Trustee or Fiscal Agent and pledged to the payment or security of bonds or other indebtedness shall be invested with maturities in accordance with California Government Code Section 53601(m).

14.0 INTERNAL CONTROL

The Director of Administrative Services/Deputy City Treasurer shall be responsible for ensuring that all investment transactions comply with the City's Statement of Investment Policy and for establishing internal controls that are designed to prevent losses due to fraud, negligence, and third-party misrepresentation.

Internal controls deemed most important shall include: avoidance of collusion; separation of duties and administrative controls; separating transaction authority from accounting and record keeping; custodial safekeeping; clear delegation of authority; management approval and review of investment transactions; specific limitations regarding securities loss and remedial action; documentation of investment transactions and strategies; and monitoring of results.

The external auditor, serving as an independent reviewer, will review and verify the City's, District's, Agency's, Authorities', and Library's investment activity, holdings, and compliance with this Statement of Investment Policy on an annual basis and submit a report to the City Council/Boards of Directors/Trustees relating thereto. The external auditor shall maintain errors and omissions insurance coverage.

15.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

15.1 Market Yield (Benchmark): The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the Bank of America Merrill Lynch 1 to 3 Year Treasury Index.

16.0 REPORTING

In accordance with amended Section 53646 of the California Government Code, the City Treasurer may annually render to the City Council a Statement of Investment Policy, which the City Council shall consider at a public meeting. The Director of Administrative Services/Deputy Treasurer will review the Statement of Investment Policy on an ongoing basis and recommend updates to the City Council as appropriate.

Pursuant to Section 53607 and Section 53646 of the California Government Code, the Department of Administrative Services shall render a monthly report and may render a

quarterly report to the City Manager/City Treasurer and the City Council containing detailed information on all securities, investments, and monies of the City, District, Agency, Authorities, and Library. The monthly report will be submitted on a monthly basis for information available monthly, and a quarterly report may be submitted on a quarterly basis for information available quarterly. The reports shall be provided to the City Council within 30 days following the end of the month or quarter, as applicable.

Pursuant to Section 3-3.106 of the City of Simi Valley Municipal Code, the City Treasurer shall make a monthly report to the Council of the investments and redemptions made. Information in the Monthly Investment Report includes the following:

- A listing of individual securities held at the end of the reporting period by
- authorized investment category;
- The type of investment, name of the issuer, security or certificate number,
- purchase date, maturity date, par value, and cost of all funds invested
- subject to this policy;
- Average life and final maturity of all investments listed;
- Percentage yield on an annualized basis;
- Coupon, discount, or earnings rate;
- The market value with the source of the market valuation for all securities held by the City, and under management of any outside party that is not also a local agency, the State of California LAIF, or other investment pool;
- Percentage of the portfolio represented by each investment category;
- Benchmark comparison;
- A description of any investments, including loans and security lending programs, that are under the management of contracted parties;
- A description of the compliance with the Statement of Investment Policy, or manner in which the portfolio is not in compliance;
- A statement denoting the City's ability to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall, or may, not be available.

Additionally, Trustees and Fiscal Agents shall provide monthly report access to the Department of Administrative Services. The monthly report, or statement, shall be issued within -10 days after the end of the monthly reporting period and shall include a detailed summary of all transactions for the month. This monthly report, or statement, shall include the following information:

- Type of investment;
- Description of investment;
- Purchase date;
- Maturity date;
- Purchase cost;
- Current market value.

This information will be incorporated into the quarterly report provided to the City Council.

Finally, at least quarterly, the Director of Administrative Services/Deputy City Treasurer shall report to the City Manager/City Treasurer on economic conditions, the status of current investments, strategies for future investments, and other investment matters deemed relevant to the City's investment program and shall report to the City Council as necessary.

17.0 INVESTMENT POLICY APPROVAL

Pursuant to California Government Code Section 53646(a)(2) the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting. The policy shall be reviewed on an ongoing basis by the Director of Administrative Services/Deputy City Treasurer to ensure consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law, financial and economic trends, and to meet the needs of the City, District, Agency, Authorities, and Library. Any material modifications made thereto must be approved by the City Council of the City of Simi Valley, the Agency Board, the Boards of Directors of the District and Authorities, and the Board of Trustees of the Simi Valley Public Library.

18.0 INVESTMENT POLICY CREDIT

Credit for wording included in this Statement of Investment Policy is hereby given to the California Debt and Investment Advisory Commission (CDIAC), the Association of Public Treasurers of the United States and Canada (APT US&C), the California State Treasurer's Local Agency Investment Fund (LAIF), and the California Municipal Treasurers Association (CMTA).