
MENLO PARK FIRE PROTECTION DISTRICT

STAFF REPORT

TO: Board of Directors
FROM: Administrative Services

MEETING DATE: May 20, 2025
PREPARED BY: Allain Mallari
APPROVED BY: Francine Hunt

ITEM: APPROVE BY RESOLUTION THE ANNUAL ADOPTION OF THE DISTRICT'S REVISED INVESTMENT POLICY AND THE DISTRICT TREASURER DESIGNATION FOR FISCAL YEAR 2025-26

RECOMMENDATION

It is recommended that the Board of Directors accept the report as presented;

1. Accept the report as presented; and
2. Adopt by resolution the District's revised investment policy and District Treasurer designation.

BACKGROUND

In accordance with California Government Code Section 53646, the Menlo Park Fire Protection District's (District) investment policy must be reviewed and formally adopted through a resolution, with any changes requiring approval by the District's Board of Directors (Board). Additionally, under California Government Code Section 53607, the Board has the authority to delegate investment management responsibilities to a designated treasurer, with such delegation subject to annual renewal by the Board.

The District's investment policy serves as a comprehensive framework designed to prioritize the safety of principal, ensure sufficient liquidity, and generate a reasonable return on investments that aligns with the District's defined risk tolerance. It establishes clear guidelines for making prudent investment decisions, with the primary goal of protecting and efficiently managing the District's financial resources while supporting its overall fiscal health and stability.

DISCUSSION

The investment policy serves as the foundation of the District's investment goals and priorities, outlining the principles that guide financial decisions. The existence of an approved policy reflects the governing body's commitment to fulfilling its fiduciary duties, thereby fostering trust and confidence within the community it serves. It is also important to note that rating agencies closely scrutinize an agency's investment policy when determining its credit rating, underscoring the policy's role in the District's financial standing. All of the District's investments are fully aligned with the current investment policy, which was last revised and approved on June 11, 2024.

As recommended by the California Government Code, an annual review and adoption of the investment policy is considered best practice. In partnership with PFM Asset Management, the District's investment advisor, staff is presenting proposed changes to the investment policy for review and discussion. A summary of the proposed modifications is included in Attachment A. For the FY 2025-26 fiscal year, it is recommended that the Finance Manager be appointed as the designated District Treasurer. This annual review process ensures that the policy remains relevant and effective in supporting the District's financial strategy and objectives.

FISCAL IMPACT

The annual review of the investment policy and District Treasurer designation has no fiscal impact except for staff time spent on the review and reporting of the policy.

ATTACHMENTS

- A. Investment Policy Review Memorandum
- B. Menlo Park Fire Protection District Investment Policy (Redlined)
- C. Investment Policy Resolution