AGENDA
FINANCE COMMITTEE
REGULAR MEETING NOTICE
JUNE 8, 2026
PUBLIC MEETING 4:00 P.M.

Members
Victor M. Gordo, Mayor
Tyron Hampton, District 1
Rick Cole, District 2
Gene Masuda, District 4

STAFF
Karin Schnaider, Director of Finance
Arnold Lee, Chief Assistant City Attorney
Gloria Acevedo, Recording Secretary

MISSION STATEMENT

The City of Pasadena is dedicated to delivering exemplary municipal services, responsive to our entire community and consistent with our history, culture, and unique character.

In compliance with the Americans with Disabilities Act of 1990, Assistive Listening Devices are available from the City Clerk's Office with a 24-hour advance notice. Please call (626) 744-4124 to request use of a listening device.

Language translation services are available for this meeting by calling (626)744-4124 at least 24 hours in advance. Habrá servicio de interpretación disponible para éstas juntas llamando al (626)744-4124 por lo menos con 24 horas de anticipación.

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Items on the agenda may not be called in order listed. Agendas and supporting documents are available on the Internet at https://www.cityofpasadena.net/commissions/city-council-finance-committee/

*Materials related to an item on this Agenda submitted to the Finance/Audit Committee **after** distribution of the agenda packet will be posted online and listed as: "Supplemental Agenda Material Received after the Posting of the agenda"*

PUBLIC COMMENT AT THE REGULAR FINANCE COMMITTEE MEETING FOR JUNE 8, 2026, AT 4:00 P.M. WILL BE ACCEPTED IN-PERSON AND BY VIDEOCONFERENCE/TELECONFERENCE.

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AND

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In order to facilitate public participation at meetings the City will accept public comment in the following manner:

1. Whether participating in-person or virtually at the meeting, members of the public may provide public comment by submitting a speaker card prior to the start of public comment on that item, at the following webpage:

   www.cityofpasadena.net/commissions/public-comment/

   If a public comment speaker wishes to speak on more than one agenda item, please indicate which items on the online form (multiple item speakers will be handled according to the process posted on the agenda and as specified in the City meeting policy). Public comments are limited to 3 minutes each, and the Chair and Committee may limit this time if reasonable under the circumstances.

2. In-person Meeting Participation: Complete an online speaker card at the following website: **www.cityofpasadena.net/commissions/public-comment/**

   After submitting a public speaker card, members of the public may attend the meeting in-person by coming to the Pasadena City Council Chamber, Room S249 at City Hall at the date and start-time of the posted meeting.

   Virtual Meeting Participation: For virtual participants, you may attend by connecting to the meeting using a computer, other electronic device, or by telephone. Please review the agenda to identify the published start time for the meeting and connect to the meeting just prior to, or at the start of the meeting.

   To participate in public comment for an item and to be recognized to speak, it is required that the speaker login to the meeting using the same name or telephone number used on the Speaker Card form. This will allow City staff to locate and promote the speaker into the meeting when it is time for their public comment.

Participants' phone calls to the Committee meeting will be recorded as part of the Committee meeting. By staying on the line and making public comment during the Committee meeting by phone, you are agreeing to have your phone call recorded. Following is the connectivity information for virtual participation:

Computer or electronic devices, join the meeting at: **cityofpasadena.net/cczoom**

Telephone only dial-in: 1-669-900-6833, Meeting ID: 161 482 446

3. **Speaker Card Help Line**: If a public comment speaker needs assistance in completing a speaker card, please call the City Clerk's Office at: (626) 744-4124. Help line will open **30 minutes** prior to the posted start time of the meeting.

4. Members of the public may submit correspondence of any length prior to the start of the meeting, at the following email address:

   gacevedo@cityofpasadena.net

   Correspondence will be forwarded to the Committee prior to the start of the meeting, posted online, and made part of the legislative record for the item.

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DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF REGULAR MEETING
OF THE FINANCE COMMITTEE

JUNE 8, 2026
PUBLIC MEETING: 4:00 P.M.
PASADENA CITY HALL, COUNCIL CHAMBER
100 NORTH GARFIELD AVENUE, ROOM S249

NOTICE IS HEREBY GIVEN that the regular meeting of the Finance Committee will be held on Monday, June 8, 2026, at 4:00 p.m. in the Pasadena City Hall Council Chambers S249.

Victor M. Gordo, Chair
Finance Committee

I HEREBY CERTIFY that this notice, in its entirety, was posted on the Internet at www.cityofpasadena.net/commissions/city-council-finance-committee and on the Council Chamber Bulletin Board, Room S249 and the Bulletin Board in the rotunda area, City Hall, 100 North Garfield Avenue, this 4th day of June, 2026, by 5:30 p.m., and that copies hereof were faxed, emailed or delivered to each member of the City Council and to each local newspaper of general circulation, radio or television station requesting notice in writing, all of which recipients are identified on the distribution list set forth herein below.

Gloria Acevedo, Recording Secretary
Finance Committee

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(626) 744-4124 por lo menos con 24 horas de anticipación.

REGULAR MEETING
AGENDA
FINANCE COMMITTEE
JUNE 8, 2026

Public Meeting: 4:00 P.M.
Council Chamber, Pasadena City Hall
100 North Garfield Avenue, Room S249

The Finance Committee may take action within its authority on any item listed on this agenda as it deems appropriate following consideration and discussion of the matter.

PUBLIC MEETING - 4:00 P.M.

ROLL CALL

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Please limit comments to 2 minutes each.

APPROVAL OF MINUTES

March 23, 2026 Special Meeting

NEW BUSINESS

1. **AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET**

2. **<u>JOINT ACTION</u> ANNUAL READOPTION OF THE FISCAL YEAR 2026-2027 INVESTMENT POLICY AND INVESTMENT STRATEGY**

ADJOURN

APPROVAL OF MINUTES

- March 23, 2026 Special Meeting

CITY OF PASADENA
MEETING OF THE FINANCE/AUDIT COMMITTEE MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER S249
MARCH 23, 2026
SPECIAL MEETING

OPENING Chair Gordo called the special Meeting of the Finance/Audit Committee to order at 4:12 p.m.

ROLL CALL: Mayor Victor M. Gordo (Chair)
Councilmember Rick Cole
Councilmember Tyron Hampton (Absent)
Councilmember Gene Masuda

Staff: Miguel Márquez, City Manager
Karin Schnaider, Director of Finance
Vic Erganian, Deputy Finance Director/City Treasurer
Arnold Lee, Chief Assistant City Attorney
Alex Souto, Deputy City Manager
Tiffany Jacobs Quinn, Director of Human Resources
Michael Paliwoda, Principal Human Resources Analyst
Jim Wong, Housing Director
Sherreeta White, Program Coordinator III
Ani Antanesyan, Internal Audit Manager
Steven Andersen, Senior Internal Auditor
Sandra Campos, Acting Recording Secretary

APPROVAL OF MINUTES: It was moved by Councilmember Cole, seconded by Councilmember Masuda, to approve the January 12, 2026, Special Meeting of the Finance Committee minutes meeting and the January 26, 2026, cancellation notice (Motion Unanimously carried) (Absent: Councilmember Hampton)

NEW BUSINESS: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A GRANT AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION IN THE AMOUNT OF $432,959 FOR THE CALIFORNIA CLEANUP AND EMPLOYMENT PATHWAY GRANT AND AMEND THE DEPARTMENT'S FISCAL YEAR 2026 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $432,959 IN THE GENERAL FUND**

Chair Gordo introduced the item and Jim Wong, Housing Director, provided a PowerPoint Presentation and responded to questions.

Councilmember Cole thanked staff for obtaining the grant and shared he would like to see additional opportunities to expand the Municipal Assistance Solutions and Hiring program in tasks such as tree trimming, given the success of the program.

Chair Gordo asked for future cleaning of the bus stops to include underneath the benches.

It was moved by Councilmember Masuda, seconded by Councilmember Cole, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: Councilmember Hampton)

AMEND THE HOUSING DEPARTMENT'S FISCAL YEAR 2026 OPERATING BUDGET BY APPROPRIATING $28,897 IN THE GENERAL FUND AND $309,697 IN THE GENERAL FUND PROJECTS FUND FOR THE PURCHASE OF REPLACEMENT VEHICLES FOR THE MUNICIPAL ASSISTANCE, SOLUTIONS, AND HIRING (MASH) PROGRAM

Chair Gordo introduced the item.

Chair Gordo asked for clarification on the number of vehicles that were lost compared to the six vehicles being replaced. Ms. White confirmed eight were damaged, of which, seven were a total loss.

It was moved by Councilmember Cole, seconded by Councilmember Masuda, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: Councilmember Hampton)

QUARTERLY INVESTMENT REPORT - QUARTER ENDING DECEMBER 31, 2025

Chair Gordo introduced the item and Vic Erganian, Deputy Finance Director/City Treasurer, provided a PowerPoint Presentation and responded to questions.

Councilmember Cole expressed concern with 17% of the City's portfolio being vulnerable should there be a severe economic downturn given that many investments are in the banking industry.

Chair Gordo, requested information on the corrective actions instituted after the banking crisis. Mr. Erganian will include the information with the next quarterly investment report. Chair Gordo also requested the consumer Price Index for the Long Beach and surrounding communities.

Councilmember Masuda asked staff about the possibility of a recession. Mr. Erganian responded that a recession is difficult to predict, given there are many variables including the current war in the Middle East.

The item was received and filed for the Finance Committee, the item will continue to the City Council as an information item only.

INFORMATION ONLY: **FINAL REPORT ON PAYROLL AUDIT**

The item was held to the next Finance Committee Meeting.

FINAL REPORT ON STREET PAVEMENT MAINTENANCE PROGRAM AUDIT

The item was held to the next Finance Committee Meeting.

ADJOURNMENT: On the order of the Chair, the special meeting of the meeting of the Finance/Audit Committee was adjourned at 4:56 p.m.

ATTEST:

_____
Mayor Victor M. Gordo, Chair
Finance/Audit Committee

_____
Gloria Acevedo
Recording Secretary

NEW BUSINESS

ITEM 1

1. AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET

Agenda Report

June 8, 2026

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: **AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review; and

2. Amend the Fiscal Year 2026 CIP Budget as detailed in Attachment A of this report.

BACKGROUND:

Throughout the fiscal year (FY), the Department of Public Works in conjunction with other impacted departments reviews active CIP projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments and amendments to the FY 2026 CIP Budget as detailed on Attachment A.

Amendments to FY 2026 – 2030 CIP Budget

1. **Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950) –** The Department of Public Works (PW) recommends transferring $39,568 in Private Capital from this project to Miscellaneous Sidewalk Repair Program FY 2021 – 2025 (73940) project. The private capital was collected from a property owner for work that was done in FY 2025. This transfer will correct the budget and allow 73940 to be closed.

   PW also recommends appropriating $68,409 in Private Capital to Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950) and increasing the budget by like amount. These funds have been collected from property owners and developers as

conditions of development or sales of the property. The program provides for replacement of damaged sidewalks along property frontages. These repairs will help maintain pedestrian accessibility along the City's sidewalk network.

2. **Sierra Madre Blvd. Median Enhancements (73945)** – PW recommends appropriating $8,500,000 in Caltrans 2024 State Highway Operation and Protection Program (SHOPP) Financial Contribution Only (FCO) to this project and increase the budget by a like amount. The City of Pasadena entered a SHOPP FCO agreement with Caltrans for this project. This appropriation will fund construction, construction administration, consultant support services, material testing, and inspection expenses. The FY 2026 CIP Budget document project page list this funding being appropriated in FY 2025. This is an administrative oversight as this action was never officially taken by City Council. This action will correct the project budget and allow the project to continue as scheduled.

3. **Substation Modernization Program (3235)** – The Water and Power Department (PWP) recommends transferring $500,000 in Power Fund from Villa Substation Upgrades (3278) to this project and increasing the budget by a like amount. The Villa Substation Upgrades (3278) project workplan has been revised for FY 2027, and the available FY 2026 funds can be transferred with no impact. These funds are necessary to cover the higher than anticipated costs associated with completing the Hastings Unit 1 and Chester Unit 1 transformer upgrades. In addition, the increased budget is necessary to cover the Del Mar and Eastern substation battery charger and Hastings Unit 2 temperature controller upgrades that were not part of original FY 2026 workplan.

4. **T.M. Goodrich Intertie Transformer Upgrades (3263)** – PWP recommends transferring $750,000 in Power Fund from Chester Substation Upgrades (3273) and $750,000 in Power Fund from Oak Knoll Substation Upgrades (3277) to this project and increasing the budget by a like amount. The Chester Substation Upgrades (3273) and Oak Knoll Substation Upgrades (3277) project workplans have been revised for FY 2027, and the available FY 2026 funds can be transferred with no impact. These funds are necessary to cover the accelerated completion of the T.M. Goodrich transformer bank cooling upgrades in FY 2026 and additional electrical upgrades that were identified for the T.M. Goodrich intertie transformers that were not part of original FY 2026 workplan.

5. **Deteriorated Pole Replacement Program (3233)** – PWP recommends transferring $585,840 in Power Fund from Water and Power Facilities Modernization (3175) to this project and increasing the budget by a like amount. The Water and Power Facilities Modernization (3175) project is scheduled to be completed this fiscal year and has available funds that can be transferred to this project. These funds are necessary to cover the current shortfall and complete the remaining work scheduled for this fiscal year.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental analysis those actions that are not "projects" as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of "project" the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project and excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein are budgetary and part of the City's normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet "projects" as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

FISCAL IMPACT:

The cumulative result of these recommendations will increase the FY 2026 CIP budget by $8,568,409. The specific funding sources for the budget amendments are listed on Attachment A. There is no net change to the General Fund.

Respectfully submitted,

GREG DE VINCK, P.E.
Director of Public Works

Prepared by:

Phyllis Hallowell
Public Works Administrator

Approved by:

MATTHEW E. HAWKESWORTH
Interim City Manager

Attachment A – Amendments to the FY 2026 – 2030 CIP Budget

	Project/Fund Source	Appropriations Through FY 2026	Changes	Revised Appropriation
1	**Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950)**			
	Private Capital	677,837	68,409	746,246
			(39,568)	
	Total	**677,837**	**28,841**	**746,246**
	Miscellaneous Sidewalk Repair Program FY 2021 – 2025 (73940)			
	Private Capital	2,420,658	39,568	2,460,226
	Total	**2,420,658**	**39,568**	**2,460,226**
2	**Sierra Madre Blvd. Median Enhancements (73945)**			
	Caltrans	0	8,500,000	8,500,000
	Safe, Clean Water Program (Measure W) - Local Return	1,050,000	0	1,050,000
	Total	**1,050,000**	**8,500,000**	**9,550,000**
3	**Substation Modernization Program (3235)**			
	Power Fund	7,186,000	500,000	7,686,000
	Total	**7,186,000**	**500,000**	**7,686,000**
	Villa Substation Upgrades (3278)			
	Power Fund	985,000	(500,000)	485,000
	Total	**985,000**	**(500,000)**	**485,000**
4	**T.M. Goodrich Receiving Station Upgrades (3263)**			
	Power Fund	2,241,031	1,500,000	3,741,031
	Total	**2,241,031**	**1,500,000**	**3,741,031**
	Chester Substation Upgrades (3273)			
	Power Fund	1,609,000	(750,000)	859,000
	Total	**1,609,000**	**(750,000)**	**859,000**
	Oak Knoll Substation Upgrades (3277)			
	Power Fund	1,421,000	(750,000)	671,000
	Total	**1,421,000**	**(750,000)**	**671,000**
5	**Deteriorated Pole Replacement Program (3233)**			
	Power Fund	10,995,556	585,840	11,581,396
	Total	**10,995,556**	**585,840**	**11,581,396**
	Water and Power Facilities Modernization (3175)			
	Power Fund	20,949,282	(585,840)	20,363,442
	Total	**20,949,282**	**(585,840)**	**20,363,442**
		Net Changes	**8,568,409**	

PASADENA

Public Works Department

AMEND THE FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM BUDGET

Finance Committee/City Council
June 8, 2026
Item 1

Recommendations

Public Works Department

1. Find proposed actions are not "projects" as defined in CEQA, Public Resources Code Section 21065 and Section 15378(b)(4) and (5) and, as such, are not subject to environmental review

2. Amend the Fiscal Year 2026 Capital Improvement Program (CIP) Budget as detailed in Attachment A of this report

Projects

Public Works Department

	Project	Funding Source	Change ($)
1	**Miscellaneous Sidewalk Repair Program FY 2026 – 2030 (73950)**	Private Capital	$68,409
			($39,568)
	Miscellaneous Sidewalk Repair Program FY 2021 – 2025 (73940)	Private Capital	$39,568
2	**Sierra Madre Blvd. Median Enhancements (73945)**	Caltrans	$8,500,000
3	**Substation Modernization Program (3235)**	Power Fund	$500,000
	Villa Substation Upgrades (3278)	Power Fund	($500,000)

Projects

Public Works Department

	Project	Funding Source	Change ($)
4	**T.M. Goodrich Receiving Station Upgrades (3263)**	Power Fund	$1,500,000
	Chester Substation Upgrades (3273)	Power Fund	($750,000)
	Oak Knoll Substation Upgrades (3277)	Power Fund	($750,000)
5	**Deteriorated Pole Replacement Program (3233)**	Power Fund	$585,840
	Water and Power Facilities Modernization (3175)	Power Fund	($585,840)

Fiscal Impact

Public Works Department

- Net increase to the FY 2026 CIP Budget by $8,568,409

- No Impact to the General Fund

NEW BUSINESS

ITEM 2

2. JOINT ACTION ANNUAL READOPTION OF THE FISCAL YEAR 2026-2027 INVESTMENT POLICY AND INVESTMENT STRATEGY

Agenda Report

June 8, 2026

TO: Honorable Mayor and City Council
Successor Agency to the Pasadena Community Development Commission

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **JOINT ACTION ANNUAL READOPTION OF THE FISCAL YEAR 2026-2027 INVESTMENT POLICY AND INVESTMENT STRATEGY**

RECOMMENDATION:

It is recommended that the City Council and the Successor Agency to the Pasadena Community Development Commission:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and

2. Adopt the City Treasurer's recommended Investment Policy and Investment Strategy for Fiscal Year 2026-2027 (FY 2026-2027).

BACKGROUND:

In relation to a local government's investment policy, California Government Code Section 53646 states "the Treasurer or Chief Fiscal Officer may annually render to the legislative body of the local agency a statement of investment policy." Attached for review and approval, is the City's Investment Policy for FY 2026-2027.

The Investment Policy is intended to outline the policies for maximizing the efficiency of the City's cash management system, the prudent investment of the City's funds, and to provide guidelines for suitable investments. The primary goals of the investment policy are to ensure compliance with the law; provide protection of principal; maintain liquidity; and maximize investment income to enhance the economic status of the City.

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City Treasurer to invest funds to the fullest extent possible. The City Treasurer then attempts to obtain the highest yield, provided that all investments meet the safety and liquidity criteria established in the investment policy.

The investment policies and practices of the City Treasurer for the City of Pasadena are based upon federal, state, and local laws and prudent money management. The primary goals of these policies are to:

1. Assure compliance with all federal, state, and local laws governing the investment of monies under the control of the City Treasurer;

2. Preserve the principal amount of monies entrusted to the City Treasurer's office; and

3. Within the goal of preserving the principal amount of monies and maintaining necessary liquidity, to generate the maximum amount of investment income within the parameters of the Investment Policy and the guidelines for suitable investments.

The City Treasurer is authorized to invest the City's funds in accordance with the California Government Code Section 53600 et seq. (the "State Code"), and the investment policy adopted by the Pasadena City Council. The City's investment policy may be modified, amended, or otherwise changed at any time, at the sole discretion of the Pasadena City Council. This investment policy applies to all financial assets and investment activities of the City of Pasadena, the Successor Agency to the Pasadena Development Commission, the Pasadena Center Operating Company, the Rose Bowl Operating Company, and the Pasadena Community Access Corporation, except for the investment of bond proceeds (which are authorized in the bond indentures), employee retirement funds, Section 115 Trust funds, and Deferred Compensation funds.

The City Treasurer manages all of the City's funds in a pooled investment portfolio. The City Treasurer also holds monies in specific purpose funds, invested separately to meet the specific investment objectives of those funds. These funds include construction funds for the City's bond issues, Pasadena Redevelopment Successor Agency Fund, the Power Reserve for Working Capital Fund, the Capital Endowment Fund, and Section 115 Trust Funds. The interest for each is also maintained within the separate fund. The City Treasurer and staff will monitor, review, and respond to changing conditions that affect the various portfolios.

The City holds no investments in derivative products such as interest rate swaps, futures, options, or reverse repurchase agreements. The City has no investments in inverse floaters, range notes, interest only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

At its December 18, 2025, meeting, the Legislative Policy Committee discussed the City's Investment Policy position on Socially Responsible Investing (SRI) and Environmental, Social, and Governance (ESG) considerations and requested a review of the City's investment policy and portfolio to ensure exclusion of direct investments in companies engaged in fossil fuel production, weapons manufacturing, tobacco and private prisons. Following the Legislative Committee's discussion, staff reviewed the City's Investment Policy and portfolio in alignment with the adopted ESG and SRI criteria. This review confirmed that the City's portfolio does not include direct investments in companies engaged in fossil fuel production, weapons manufacturing, tobacco, or private prisons.

On May 11, 2026, the City Council amended the City's investment Policy and codified the Legislative Policy Committee's recommendation by inserting in Section X (Environmental, Social and Governance) of the City's Investment Policy the following language: "***The City Treasurer or any other authorized individual or company managing the investments of the City's surplus funds shall not invest in companies that engage in the production of fossil fuel, weapons manufacturing, tobacco, or private prisons."***

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

There is no fiscal impact as a result of this action nor will there be any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action. Adoption of the City Treasurer's recommended Investment Policy and Strategy for FY 2026-2027 reflects the City's commitment to ensuring that the City of Pasadena's investment portfolio complies with State law, Environmental, Social, and Governance policies, and maintains the highest degree of safety while maximizing profits.

Respectfully submitted,

KARIN SHNAIDER
Director of Finance
Successor Agency Finance Officer

Prepared by:

Vic Erganian
Deputy Director of Finance/City Treasurer

Approved by:

MATTHEW E. HAWKESWORTH
Interim City Manager
Successor Agency Interim Executive Director

Attachments: (2)

1) Attachment A – City of Pasadena Investment Policy (Fiscal Year 2026-2027)
2) Attachment B – City of Pasadena Investment Strategy (Fiscal Year 2026-2027)

Attachment A

DEPARTMENT OF FINANCE -- TREASURY DIVISION

CITY OF PASADENA INVESTMENT POLICY

Fiscal Year 2026 - 2027

I. PURPOSE

This statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash and reserves, as well funds belonging to Pasadena Center Operating Company (PCOC), Rose Bowl Operating Company (RBOC) and Pasadena Community Access Corporation (PCAC), and to outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

II. OBJECTIVE

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest possible extent. The City attempts to earn the highest yield obtainable while remaining within the investment criteria established for the safety and liquidity of public funds.

The investment portfolio will be managed in accordance to the parameters specified within this policy. The investment portfolio will be designed to obtain a reasonable market-level rate of return, given budgetary and economic cycles, commensurate with the City's investment risk and cash flow needs. The City's portfolio management approach will be active, allowing periodic restructuring of the investment portfolio to take advantage of current and anticipated rate movements.

III. POLICY

As a Charter City, Pasadena operates its temporary pooled idle cash investments as a trustee and under the prudent person rule (Probate Code Section 16040, et seq., formerly set forth in Civil Code

Section 2261, et seq.). The prudent person rule governing the standard of care of trustees, generally states, in essence, that:

a) *The trustee shall administer the trust with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the trust as determined from the trust instrument.*

b) *When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing trust property, the trustee shall act with the 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 trust and its beneficiaries, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the trust as determined from the trust instrument. In the course of administering the trust pursuant to this standard, individual investments shall be considered as part of an overall investment strategy.*

This affords the City a broad spectrum of investment opportunities as long as the investment is considered prudent and is allowable under current legislation of the State of California (Government Code Section 53600 et seq.). It is the City's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional paper losses are inevitable due to economic, bond market or individual security credit analysis and shifts in interest rates.

It is further recognized that even in a well-diversified portfolio, at any particular point in time, when security valuations are impacted by changes in interest rates and economic conditions, that securities may at times be worth less than the original purchase price. Market fluctuations and occasional measured losses may occur and must be considered within the context of overall portfolio return rather than based on the performance of any single security or investment transaction. It is also understood that in the event of the need for a forced liquidation of investments to meet unplanned or unanticipated cash flow demands, a potential loss of investment principal might occur. The prudent and professional management of portfolio risk includes knowingly selling or changing a security to prevent further losses or to incur loss for the intent of improving credit quality or liquidity.

The City Treasurer, the Finance Director and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for securities credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments. Criteria for selecting investments in the order of priority are:

1. Safety

The safety and risk associated with an investment refers to the potential for loss of principal, interest or both. Protection of the public funds entrusted to the Treasurer is the paramount criteria used to evaluate the investment instruments available. Safety of principal is the foremost objective of the City of Pasadena. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

2. Liquidity

This refers to the ability to convert an investment to cash at any moment in time with minimal risk of forfeiting a portion of principal or interest. Liquidity is an essential investment requirement especially in light of the City's need to be able to meet emergency financing demands of the community at any time.

Because the City of Pasadena operates its own electric and water utility and bills monthly for these services, significant cash flow is generated on a daily basis. Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all reasonable anticipated operating requirements.

3. Yield

Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return. As a general rule, yields tend to mirror the inherent risk and liquidity characteristics of the particular investment and thus can only be evaluated after those investment criteria are satisfied.

IV. LENGTH OF MATURITIES

The City attempts to obtain the highest yield possible when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, because investments normally carry a positive yield curve, (i.e., longer term investments have higher rates than shorter maturities), the City attempts to stagger its maturities to meet anticipated cash needs in such a way that new investment money can be placed in maturities that carry a higher rate than is available in the short market of 30 days or under. Furthermore, maturities are selected to position the portfolio to anticipate market risks as well as anticipate cash needs of the City, thereby obviating the need for forced liquidation.

The Government code stipulates that no investment shall be made in securities with maturities in excess of five years without express authority from the City's legislative body. The City Treasurer shall not, at any time, invest in securities with stated maturities exceeding five years with the exception of the Power Reserve portfolio and bond reserve funds as authorized in the bond indentures or with the consent of the bond insurers.

Stranded Investment Reserve Fund

The City Council authorizes the City Treasurer to invest monies in the Reserve Fund in securities with maturities exceeding five years. The City Treasurer shall strive to maximize the yield in this fund by extending the maturity of the investments and matching them with future cash flow needs.

V. DELEGATION OF AUTHORITY

The authority granted by the Pasadena City Council assigns the responsibility of investing idle cash to the City Treasurer who will report to the Director of Finance. In the City Treasurer's absence, the Director of Finance or the Assistant City Treasurer is authorized to initiate investment transactions. The City Council also delegates to the City Treasurer and the Director of Finance the authority to open new bank accounts, investment and cash management accounts, letters of credit and other credit enhancement products, close bank accounts, investment and cash management accounts, and sign all documents related thereto.

VI. PORTFOLIO EVALUATION AND REPORTING

Investment performance is continually monitored and evaluated by the City Treasurer. Investment performance statistics and activity reports are reported monthly to the Director of Finance and the City Manager.

The City Treasurer shall review and render monthly and quarterly reports to the City Manager and the Director of Finance. Government Code Section 53646 (b)(1) states that the Treasurer or Chief Fiscal Officer may render quarterly reports to the legislative body of the local agency containing detailed information on all securities, investments, and moneys of the local agency, a statement of compliance of the portfolio with the statement of investment policy, and a statement of the local agency's ability to meet its pool's expenditures for the next six months. By making these reports optional, this Bill does not impose a state-mandated local program but encourages agencies to continue to report. The quarterly report shall incorporate the disclosure requirements of GASB 40 including the portfolio risk disclosure in the following four primary categories:

1. Credit Risk of Investment positions;
2. Concentration Risk;
3. Interest Rate Risk;
4. Foreign Currency Risk.

VII. QUALIFIED BROKERS/DEALERS

The City shall transact business only with national or state chartered banks, and with securities broker/dealers. The broker/dealers should be primary dealers licensed by the state as a broker-

dealer or from a member of a federally regulated securities exchange, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. The City can also transact with non-primary broker/dealers upon the City Treasurer's and the Director of Finance's approval. Investment staff shall investigate dealers who wish to do business with the City to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in securities appropriate to the City's needs.

The City Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the City of Pasadena. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

VIII. COLLATERAL REQUIREMENTS

Collateral is required for investments in certificate of deposits and repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of the market value of principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are the direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States. Mortgage securities and whole loans can also be used as collateral for the repurchase agreements as long as the collateral level is at least 102% of the market value of the principal and accrued interest.

IX. SAFEKEEPING OF SECURITIES

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third-party trust department, acting as agent for the City under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle delivery versus payment (DVP) through the City's safekeeping agent.

X. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Investments will be considered in entities that support environmental, social, and governance (ESG) factors alongside traditional financial measures in the investment decision making process, ensuring that investments are financially prudent, and impact driven. Investing in companies that prioritize conservation and sustainable business practices helps protect our environment for future generations and is commensurate with the City of Pasadena's values. ESG factors may include, but are not limited to:

- Environmental: Carbon Footprint; Energy Consumption; Water/Waste; External Conservation Initiatives; and Sector-Specific Adjustments.

- Social: Labor Rights; Employee Diversity; Corporate Social Responsibility; and Human Rights/Ethics.
- Governance: Leadership Structure; Executive Compensation; Human Capital Management; Transparency/Disclosure; and Shareholder Rights.

The City Treasurer or any other authorized individual or company managing the investments of the City's surplus funds shall not invest in companies that engage in the production of fossil fuel, weapons manufacturing, tobacco, or private prisons.

XI. AUTHORIZED INVESTMENTS

The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity. In addition, the City shall not invest any funds in inverse floaters, range notes or interest only strips that are derived from a pool of mortgages and also common stocks. However, a local agency may hold prohibited instruments until their maturity date. These limitations will not apply to investments in shares of beneficial interest issued by diversified management companies as referenced in subparagraph 11 of this section.

The City is further governed by the California Government Code, Section 53600 et seq. Within the context of these limitations, the following investments are authorized, and further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category, although maturity limitations as stated in Section IV apply.

2. Obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Association (FHLMC), the Student Loan Marketing Association (SLMA) and the Tennessee Valley Authority (TVA) and the Federal Home Loan Bank. There is no limitation on the dollar amount that can be invested in these issues except for maturity limitations as stated in Section IV.

3. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio. No more than 30% shall be invested in any one commercial bank pursuant to Section 53601(f) of the Government Code.

4. Commercial paper of "prime" quality of the highest ranking or highest numerical rating as provided for by Moody's Investor services or Standard and Poor's Corporation, and issued by domestic corporations having assets in excess of $500,000,000 and having an "A" or better rating on its long term debentures as provided by Moody's or Standard & Poor's. Purchases of eligible commercial paper may not exceed 270 days to maturity nor represent more than

10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 15% of the cost value of the portfolio. An additional 15%, or a total of 30% of the agency's surplus money, may be invested pursuant to this subdivision. The additional 15% may be so invested only if the dollar weighted average maturity of the entire amount does not exceed 31 days.

5. Negotiable Certificates of Deposit issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio.

6. Investments in Repurchase agreements or securities lending agreements may be made when the term of the agreement does not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. A PSA Master Repurchase Agreement is required between the City of Pasadena and the broker dealer or financial Institution for all Repurchase Agreements transacted.

7. Reverse Repurchase Agreements or securities lending agreement which specifies terms and conditions may be transacted with broker/dealers and financial institutions but cannot exceed 20% of the portfolio base value on the date entered into with the conditions as specified in Section 53601(i)(3)(B) of the Government Code.

8. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by California State Law.

9. CAMP: California Asset Management Program. A Joint Powers Authority created to provide statewide local government investment pool. Maximum term of 1 day.

10. Collateralized Money Market Bank Accounts: Interest-bearing collateralized money market bank accounts in banks or credit unions. Maximum term of 1 day.

11. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

12. Medium Term Corporate Notes, with a maximum remaining maturity of five years or less may be purchased. Securities eligible for investment shall be rated "A" or better by Moody's or Standard and Poor's rating services. Purchase of medium term notes may not exceed 30% of the cost value of the portfolio and no more than 5% of the cost value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 5% limitation.

13. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations as authorized by subdivisions (a) to (j) inclusive of the Government Section or subdivision (m)or(n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). To be eligible for investment pursuant to this subdivision, these companies shall either:

a) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services.

b) Retain an investment advisor registered with the Securities and Exchange Commission with no less than five years of experience investing in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge and shall not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section. No more than 10% of the portfolio may be invested in any one mutual fund at the date of purchase.

14. Registered state warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

15. Bonds, notes, warrants or other indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency including variable rate demand bonds with a daily or weekly put feature and supported by a credit facility.

16. Any mortgage pass-through security, collateralized mortgage obligation mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20% of the agency's surplus money that may be invested pursuant to this section.

17. Contracts issued by insurance companies that provide the policyholder with the right to receive a fixed or variable rate of interest and the full return of principal at the maturity date.

18. Notwithstanding anything to the contrary contained in this section, Section 53635 of the Government Code, or any other provision of law, 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.

19. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

20. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and invested pursuant to this section.

21. Municipal Variable Rate Demand Bonds (VRDBs) that have long-term maturities exceeding five years and have a seven day put feature and carry a short-term interest rate which is reset every seven days and are backed by a liquidity facility and/or bank letter of credit (LOC). The underlying issuer rating must be rated at least A or better.

Attachment B

DEPARTMENT OF FINANCE -- TREASURY DIVISION

CITY OF PASADENA INVESTMENT STRATEGY

Fiscal Year 2026-2027

I. PURPOSE

The City's investment strategy is designed to ensure (1) the prudence and efficiency of investments; (2) the accurate monitoring and forecasting of revenues and expenditures; and, (3) the securing of the safety and liquidity of public funds. The City attempts to earn the highest yield obtainable while maintaining compliance to the criteria of the City's Investment Policy. The qualifications are as follow:

1. To secure safety of funds
2. To maintain liquidity of assets
3. Yield or return
4. To monitor deposits from all departments (Float)
5. Compounding of interest
6. To match investment maturities to large expenditures
7. Flexibility to change investments to maximize security and yield
8. To retain full knowledge of investments available to Treasurers
9. To deal only with qualified brokers and banks
10. To insist upon written confirmation of investments and collateral
11. To check with FHLB for sufficiency of collateral if pooled collateral

II. FINANCIAL DATA

Daily economic and financial market data is obtained from the Bloomberg Financial System and financial experts in the field through bankers, brokers, market analysts and periodicals.

III. CASH FORECASTS

Twelve- and eighteen-month cash forecasts are monitored and updated to accurately estimate revenues and expenditures in order to invest funds to the fullest extent possible.

IV. MAINTAINING BANK BALANCES

Active bank balances are kept at adequate levels without jeopardizing good banking relationships.

V. PORTFOLIO TESTING

The City's portfolio is tested on a monthly basis so that legal limits of types of investments are not exceeded.

VI. LIQUIDITY OF FUNDS

Sufficient funds are maintained in overnight liquid investments to meet current and estimated cash flow needs. The City maintains an adequate level of overnight and short term investments to meet any liquidity and cash need at any given day when cash outflow exceeds cash inflow.

VII. PORTFOLIO MANAGEMENT

In managing the City's portfolio, the City Treasurer considers the overnight investment balance along with securities with maturities of 90 days or less as the operating fund for cash flow purposes. This portion of the portfolio is managed to meet the needs of the regular day to day operating expenses of the public body. Safety of principal and liquidity are the primary investment objectives. Income is a secondary objective. Typically the Treasurer maintains an average investment balance of at least $40 million in this short term liquid portion of the portfolio with a maturity of one week or less.

The balance of the portfolio is invested in securities with longer-term maturities representing the surplus funds. This portion of the portfolio is managed with longer-term securities as liquidity is not the primary objective and may include supplementing the short term liquidity portion of the portfolio if necessary. Safety of principal is still the primary objective, but income, competitive return, and liquidity can be secondary objectives.

VIII. MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by the potential use when appropriate of the following strategies:

1) **Active Portfolio Management:**

Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases or decreases in risk by enhanced indexing the portfolio or extending or reducing the weighted maturity of the total portfolio and/or actively trading a portion of the portfolio to try to achieve higher returns. Realized gains and losses are expected in active portfolio management and thus authorized as part of the program.

2) **Portfolio Maturity Management:**

When structuring the maturity composition of the portfolio, the City shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions, longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

3) Security Swaps:

The City may take advantage of security swap opportunities or simply sell an investment to improve the overall portfolio yield and/or credit risk. Such transactions that improve the portfolio yield and/or reduce credit risk may be selected even if the transactions result in an accounting loss.

PASADENA

FINANCE DEPARTMENT

FISCAL YEAR 2026-2027 INVESTMENT POLICY

Vic Erganian
Deputy Finance Director City Treasurer

June 8, 2026
City Council Item 2

Purpose Of The Investment Policy

- To establish procedures and guidelines that will ensure the prudent management of public agency funds.
- To incorporate all of the regulations specified by California Code sections into the agency's investment program.
- To specify the investment philosophy of the agency.

Investment Objectives

1. The primary objective is to safeguard the principal of the funds.

2. The second objective is to meet the liquidity needs of the City.

3. The third objective is to achieve a reasonable return on the investments.

Investment Standards

"…all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard."

Components of The Policy

- Purpose
- Objective
- Policy
- Length of Maturities
- Delegation of Authority
- Portfolio Evaluation and Reporting
- Risks
- Qualified Brokers and Dealers
- Collateral Requirements
- Safekeeping and Custody of securities
- Authorized Investments
- Diversification/Limits

Investment Strategy

- Prepare cash forecasts 1-18 months.
- Determine adequate level of short-term investments for liquidity purposes.
- Maintain an extra layer for safety purposes.
- Total portfolio
  - Liquidity portfolio
  - Reserve portfolio

Liquidity Portfolio

- Structured to meet liquidity needs.
- Investments in short-term securities.
- Bank Deposits, MMF, LAIF, Repos, T-Bills, Agency Discount Notes, CDs, BAs, and CPs, and CAMP.
- Must have a short average maturity.

Reserve Portfolio

- Funds not required for short term liquidity needs.
- Determine the highest suitable duration (up to 3 years modified duration).
- Invest in liquid and easily marketable securities.
- US T-Bonds and Notes, Government Agency Bonds, Corporate Bonds, and Municipal Bonds.
- Risk Tolerance.

Portfolio Management Strategy

- Duration Management
- Yield Curve Analysis
- Enhanced Indexing
- Sector Weighting
- Individual Security Selection

Conclusion

- The overall objective of the City's investment program is to, over time, meet or exceed the benchmark returns on a risk adjusted basis.

- The Investment Policy was amended in May 2026 to include the following language:

New Amended Language

- Section X of the Policy:

"The City Treasurer or any other authorized individual or company managing the investments of the City's surplus funds shall not invest in companies that engage in the production of fossil fuel, weapons manufacturing, tobacco, or private prisons."

Investment Policy

- The recommended Investment Policy applies to all financial assets and investment activities of the City of Pasadena, the Successor Agency of the Pasadena Development Commission, the Pasadena Center Operating Company, the Rose Bowl Operating Company, and the Pasadena Community Access Corporation.

Recommendation

- Approve the recommended Investment Policy and Strategy for Fiscal Year 2026-2027.

- Other than the amended language in Section X of the policy, there has been no other changes in the City's Investment Policy.