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**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Redevelopment Agency

SUBMITTAL DATE:
July 24, 2006

SUBJECT: Investment Policy and Annual Portfolio Disclosure Report for the Year Ending June 30, 2006.

RECOMMENDED MOTION: That the Board of Directors receive and file the attached Disclosure Report on the Redevelopment Agency's Investment Portfolio for the year ending June 30, 2006, and adopt the Agency's Investment Policy dated June 30, 2006.

BACKGROUND: On January 1, 2006, the Board of Supervisors adopted an umbrella investment policy which directs those departments and special districts whose funds reside in Trust or in separate operating funds other than the Treasurer's pool to establish an Investment Policy establishing authority for investing, minimum requirements for quality investment practices, reporting and auditing standards. This policy also requires the Redevelopment Agency to annually adopt the Agency's Investment Policy and file annual Disclosure Reports with the Board of Directors, the Auditor Controller and the Investment Oversight Committee. Enclosed are the Redevelopment Agency's Investment Policy and Disclosure Report for the year ending June 30, 2006. The only change made to the Agency's Investment Policy is to the signature list of Authorized Designees.

Departmental Concurrence

Robin Zimpfer

RZ:JC:DL:DB:SF
S:\RDACOM\IRDA_ADMN\Investment Policy Reports\04-05\IRDA-F11-04-05.doc

Robin Zimpfer
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Jennifer S. Pugh

County Executive Office Signature

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

Prev. Agn. Ref.: N/A **District:** All **Agenda Number:**

**REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE
INVESTMENT POLICY STATEMENT
June 30, 2006**

PURPOSE & OBJECTIVE

This investment policy statement is limited solely to the proceeds of bonds issued by the Redevelopment Agency for the County of Riverside (the "Agency"). The first and primary objective in investing bond proceeds shall be to safeguard investment principal, second to maintain sufficient cash resources to meet each bond fund disbursement requirement, and third to achieve the highest earnings allowable consistent with these objectives.

AUTHORITY

The authority for the direction and/or making of investments is delegated by the particular bond indenture, board resolution, and fiscal agent agreement to the Agency's Executive Director or designee.

INVESTMENT ADVISOR

To the extent authorized by the Agency, an investment advisor may, pursuant to contract, provide financial advice and direction on investments to be made from bond proceeds, but any such authority shall not extend to the actual execution of investments on behalf of the Agency, nor shall it include the holding of bond proceeds and portfolio assets.

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized by each bond indenture. To the extent authorized by the bond indenture, all investments shall be made in compliance with the criteria shown in Schedule 1, which defines the type of permitted investments, maturity limitations, and credit quality standards that apply. All investments shall be made and maintained at investment grade of A or better by Moody's and Standard & Poor's rating services.

LEVERAGE

No reverse-repurchase agreements are to be utilized nor shall any security purchased with bond proceeds be made subject to a security lending agreement.

COLLATERAL

All repurchase agreements will be collateralized and held with a trustee.

INVESTMENT AGREEMENT CONTRACTS

Investment agreement contracts shall be awarded through a competitive bidding process with a minimum of three bids. Any fees or commissions paid in connection herewith shall be consistent with federal tax guidelines for safe harbor payments. A certificate of compliance regarding payments to others will be required from winning bidder.

All providers will carry a minimum rating of "A" by Moody's and Standard & Poor's rating services. Providers with ratings below "AA" will be required to provide acceptable collateral.

INVESTMENT MATURITIES

Based upon the characteristics of each fund type, all investment maturities are to coincide with expected cash disbursement requirements (i.e. debt service or construction costs). Investments in the debt service reserve fund shall have maturities no greater than five years. The term of investment agreement for the debt service reserve fund may exceed five years as long as funds may be drawn down on any interest payment date without penalty.

TRADING OF SECURITIES

Securities may be traded or sold prior to maturity either at a profit or loss whenever financial market conditions or the credit quality of the security warrants such action.

REPORTS

Security holdings shall be reported at book versus market value at least quarterly to the Agency Board of Directors for each Agency bond issue outstanding and made subject to audit.

SECURITY CUSTODY & DELIVERIES

Any security collateral shall be deposited and held by an authorized bank trustee or fiscal agent. No securities are to be held in a broker/dealer account. All security transactions are to be made on a "delivery versus payment basis."

EFFECTIVE DATE

This policy statement is effective June 30, 2006, and will remain in force until subsequently amended in writing by the Agency and adopted by the Agency Board of Directors.



Robin Zimpfer, Executive Director

SCHEDULE 1

**Redevelopment Agency for the County of Riverside
Authorized Investments
June 30, 2006**

AUTHORIZED INVESTMENTS	PURCHASE RESTRICTIONS	CREDIT QUALITY (S&P/MOODY'S)
U.S. Treasury Notes, bills, bonds, or other certificates of indebtedness	N/A	N/A
Notes, participation, or obligation issued by the agencies of the Federal Government	N/A	N/A
Bonds, notes, warrants, or certificates of indebtedness issued by the State or local agencies or County of Riverside	N/A	L/T A, A2, A or better
Bankers Acceptances among 100 largest banks by size of deposits	Max \$50mm per issuer	S/T ratings A-1 ⁺ P-1 ⁺ F-1 ⁺
Commercial Paper of U.S. Corp with total assets exceeding \$500 mm	Max \$50mm per issuer	S/T ratings A-1 ⁺ P-1 ⁺ F-1 ⁺
Repurchase agreements with collateral restricted to U.S. Treasury or Agencies	Repurchase agreements to be on file	S/T ratings A-1 ⁺ P-1 ⁺ F-1 ⁺ If A-2, P-2, F2 then overnight only
Medium Term Notes or Corporate Notes on U.S. Corp	Maximum \$25mm per issuer	S/T A-1, P-1, F-1 LT AA, Aa2, AA or better AA, Aa2, AA minimum if under 1 year AAA, Aaa, AAA minimum if over 1 year
Investment Agreements	Appropriate Draw Dates	A or better with collateral AA or better without collateral
Money Market mutual funds that invest in eligible securities meeting requirements of California Government Code	Registered with SEC No NAV adjustments No front end loads	LT AAA by at least 2 of the 3 rating agencies

**REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE
Authorized Designees
June 30, 2006**

Only those staff whose signatures appear here are authorized to make investments, make wire or electronic fund transfers and to order the shipment and delivery of investment securities among accounts.

NAME/TITLE

SIGNATURE

Robin Zimpfer, Executive Director



Jerry Craig, Managing Director



Deanna Lorson, Assistant Director



Dora Burns, Deputy Director

