



City of Camarillo

CITY COUNCIL POLICY

Section: Finance

Date Adopted: June 13, 2018
Last Amended: October 13, 2021

Subject: **Pension Rate Stabilization Program (PRSP)
Trust Investment Policy**

Number: 3.16

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PURPOSE

This policy outlines parameters for the investment of funds within the Pension Rate Stabilization Program (PRSP) Trust. This policy is independent of the City's Investment Policy and other funds for which the City provides financial management services. This policy is specific to the PRSP Trust and PARS as the selected Plan Administrator.

POLICY

Full Investment Authority will be delegated to [Highmark Capital PFM Asset Management as the selected Investment Manager](#) to actively manage the PRSP Trust (Program) according to the designated risk tolerance. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth by the Strategic Asset Allocation model. The Plan has selected the Moderate Asset Allocation Strategy. The primary goals of the Moderate Asset Allocation Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of the total return, although growth through capital appreciation is equally important.

Prohibited assets include precious metals, venture capital, short sales, purchase of letter stock, private placements, or direct payments, leveraged transactions, commodities or other option strategies, purchases of real estate, and derivatives.

A. Return eObjective

[Achieve a reasonable return within the risk parameters under the Asset Allocation Strategy compared to the established benchmark.](#)

B. [Asset Allocation Strategy](#)

Strategic Ranges under the Moderate Asset Allocation Strategy

- 0 – 20% Cash
- 40 – 60% Fixed Income
- 40 – 60% Equity

BC. Funding

Annually, through the budget process, City Council will determine the PARS Trust annual contribution amount. City Council is committed to attain and maintain fully funded status within a 20-year period (FY 2036-37).

CD. Disbursements

Annually, through the budget process, City Council will determine if a PARS Trust distribution will be deposited in the City's CalPERS account. City Council will determine the amount based on the current CalPERS Actuarial Valuation and staff reports.

DE. Reporting

The PARS activity statement will be delivered to staff and City Council monthly. The Highmark Capital PFM performance statement will be delivered to staff and City Council quarterly and will be reviewed on a semi-annual basis. The portfolio Investment mManager will keep staff apprised of any material changes in Highmark Capital's PFM's outlook, recommended investment policy and tactics, and be available on a reasonable basis for telephone communication as needed.

EF. Annual Review

The fiscal year end performance statement and policy will be reviewed annually by the Investment Committee and the City Council.