pfm asset management

April 20, 2026

Memorandum

To: Helen Yu-Scott, Finance Director
City of Burlingame

From: Justin Resuello, Institutional Sales and Relationship Manager
PFM Asset Management, a division of U.S. Bank Asset Management

RE: 2026 Investment Policy Review

PFM Asset Management has completed its review of the Investment Policy for *City of Burlingame* (the "City"). The Policy remains in compliance with the statutes of California Government Code (the "Code") that regulate the investment of public funds for local agencies. However, below we summarize changes made to Code by Senate Bills ("SB") 827, 852, 595 and 858 that went into effect January 1, 2026. The City is encouraged to review and incorporate these requirements, as applicable.

SB 827 revised Code Section 53238 and is intended to enhance training requirements for certain local agency officials, including additional fiscal and financial training.

SB 852 is intended to strengthen transparency and ethics rules of the Political Reform Act by adding public officials who manage public investments to the list of individuals for whom the Fair Political Practices Commission ("Commission") is the filing officer for statements of economic interest and requires those officials to file using the Commission's electronic filing system.

SB 595 and 858 amended Code Section 53601, which governs the investment of public funds by local agencies, with the updates below.

- The maximum maturity for eligible commercial paper was extended from 270 to 397 days. PFMAM has redlined this update into the attached draft policy for consideration.
- Local agencies with at least $100 million in investment assets are permitted to invest a maximum of 40% of their portfolio in commercial paper until January 1, 2031, then reverts to a maximum of 25%. The sector limit remains at 40% and no change is necessary.
- In periods of low interest rates, law had authorized local agencies to invest in U.S. government securities that could result in zero-interest accrual if held to maturity until January 1, 2026. This provision was extended to January 1, 2031.

Please let us know if you have any questions and if you would like to schedule a call to discuss our review further. Thank you.

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc.

Investment observations based on *City of Burlingame's* Investment Policy Statement as of June 2025. Investment observations are for informational purposes only and are not intended to provide specific advice or any specific recommendations.