



City Council

Approval of Updates to the City of Olympia Investment Policy

Agenda Date: 4/16/2024
Agenda Item Number: 4.D
File Number:24-0320

Type: decision **Version:** 1 **Status:** Passed

Title

Approval of Updates to the City of Olympia Investment Policy

Recommended Action

Committee Recommendation:

The Finance Committee discussed the updated policy at their February 14, 2024 meeting and recommended approval of the updates.

City Manager Recommendation:

Move to approve updates to the investment policy as recommended by the Finance Committee.

Report

Issue:

Whether to approve updates to the investment policy as recommended by the Finance Committee.

Staff Contact:

Aaron BeMiller, Finance Director, 360.753.8465

Presenter(s):

None - Consent Calendar item.

Background and Analysis:

The City of Olympia Investment Policy provides direction on how City funds may be invested. Updates to the policy include language additions/updates as well as updates to authorized and suitable investments to better align with statute. The Investment Policy defines the parameters within which funds are to be invested by the City of Olympia. This policy also formalizes the framework, of Olympia's Policy and Procedures, to provide the authority and constraints for the City to maintain an effective and judicious management of funds within the scope of this policy.

The City of Olympia's investment authority is derived from RCW Chapters 35A.40.050 and 35.39.032. The investment program shall be operated in conformance with Washington Revised Statutes and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State. The policy establishes standards and guidelines for the direction, management, and oversight for all of the City of Olympia's investable cash and funds.

Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. All investments must conform to federal, state, and local statutes governing the investment of public funds.

Washington Public Treasurers Association (WPTA) has awarded a Certificate of Excellence to City of Olympia for our updated Investment Policy, judged by an impartial statewide panel as meeting the high standards of the Investment Policy Certification Program. WPTA's policy review committee evaluates vial elements covering 23 criteria categories that should be addressed in a thorough and effective policy. The City is one of 12 cities to achieve the certification from WPTA.

The City contracts with Government Portfolio Advisors (GPA) to partner in managing the City's portfolio. GPA worked with the members of the finance department on this policy update and their input in included in the final product. While the policy aligns with State statute on authorized and suitable investments for public funds, GPA and representatives from the finance department meet annually to review and make any necessary updates to the City's Guideline Portfolio Strategy which sets the City's investment strategy.

Climate Analysis:

This agenda item is expected to result in no impact to greenhouse gas emissions.

Equity Analysis:

One of the goals of the City's budget process is to ensure that city services are provided equitably to our residents and business communities, as well as the greater Olympia community. This agenda item is not expected to further impact known disparities in our community.

Neighborhood/Community Interests (if known):

Members of the community may have an interest in this agenda item as it deals with City finances and fiscal governance.

Financial Impact:

There is no financial impact associated with this agenda item.

Options:

1. Approve the updated investment policy.
2. Do not approve the updated investment policy.
3. Reschedule this agenda item to another meeting.

Attachments:

Policy