



City Council

Adoption of a City Investment Policy

Agenda Date: 6/16/2015
Agenda Item Number: 4.D
File Number: 15-0571

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

Title

Adoption of a City Investment Policy

Recommended Action

Finance Committee Recommendation:

Adopt a new investment policy

City Manager Recommendation:

Move to adopt the new investment policy, which replaces the City's current policy.

Report

Issue:

Update investment policy.

Staff Contact:

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Presenter(s):

Dean Walz, Fiscal Services Director, Administrative Services Department

Background and Analysis:

Prudent management of an investment program includes an investment policy. The current policy was originally adopted by the City Council in 1996 and most recently amended in 2011. The investment program has been managed by staff as time allowed along with their other duties.

The City recently contracted with Government Portfolio Advisors (GPA) for investment advisory services to assist the City with its investment program. The firm was selected through a Request for Proposal process. GPA acts in the capacity of a non-discretionary advisor. A non-discretionary advisor does not have access to City funds or investments. They make investment program and specific investment recommendations to the City. Actual decision and placement of investments is made by the City. Although not required to be in an investment policy, an investment policy should address the use of an investment advisor.

The new policy is patterned after best practices recommended by the Government Finance Officers Association. It was reviewed by the City Council's Finance Committee on June 10, 2015.

Neighborhood/Community Interests (if known):

None.

Options:

- 1) Approve the attached investment policy.
- 2) Do not approve the policy.

Financial Impact:

The policy itself does not have a direct financial impact. The use of an investment advisor will increase investments earnings. The exact impact cannot be determined at this time.