



## Finance Committee

### Investment Policy Review and Update

**Agenda Date:** 5/3/2017  
**Agenda Item Number:** 5.C  
**File Number:** 17-0466

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**Type:** recommendation   **Version:** 1   **Status:** Passed

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#### **Title**

Investment Policy Review and Update

#### **Recommended Action**

##### **Committee Recommendation:**

Move to review proposed changes to the Investment Policy and forward to the City Council with recommendation to approve on the consent calendar.

##### **City Manager Recommendation:**

Move to forward the Finance Committee recommendation to the City Council Consent Calendar.

#### **Report**

##### **Issue:**

Whether to forward the proposed Investment Policy changes to the Council.

##### **Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465.

##### **Presenter(s):**

Mary Verner, Director of Administrative Services  
Dean Walz, Fiscal Services Director, Administrative Services Department  
Deanne Woodring, President, Government Portfolio Advisors

##### **Background and Analysis:**

The current Investment Policy was adopted by the Council in June 2015. The investment policy itself requires the Investment Policy to be reviewed no less often than every two years. Staff recommends changes to the Investment Policy as depicted on the attached red-line version.

Recap of changes:

##### Section 8.2 Suitable Investments (pages 7 & 8).

Addition of certain practices related to ratings and securities pursuant to the policy.

Deleted and replaced listing of approved types of securities:

Divided Government Sponsored Enterprise (GSE) securities into two categories- US Agency

Obligations Primary, and US Agency Obligations Secondary.

Added two types of securities recently added to legal securities for municipal investment by the State Legislature - Supranational Bonds, and Corporate Notes. (Although the investment strategy of the City is not to invest in these instruments, it is appropriate to list them in the policy.)

Section 8.4, Repurchase Agreement Collateralization (page 9).

Deleted section because the City no longer uses repurchase agreements. In the past, the City used repurchase agreements as a cash liquidity investment tool, but the City now uses the State of Washington, Local Government Investment Pool as an investment tool for cash liquidity.

Section 9.0, Investment Parameters (page 10).

Reformatted and updated chart.

Section 9.2.4, Total Portfolio Maturity Constraints (page 11 & 12).

Reformatted and updated chart.

**Neighborhood/Community Interests (if known):**

None.

**Options:**

- 1) Forward revised policy to the Council with recommendation to adopt.
- 2) Direct staff to make changes to the proposed revised policy and forward to the Council with recommendation to adopt.
- 3) Direct staff to made changes and return to the Finance Committee for consideration.
- 4) Do not forward the revised policy to the Council.

**Financial Impact:**

No direct financial impact.

**Attachments:**

Investment Policy with Proposed Changes