



Legislation Details (With Text)

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Agenda Date: 11/12/2019

Subject:
Investment Policy Update

Prepared By: Tiffany Hooten, Finance Director

PURPOSE:

This study session is to review staff recommended amendments to the city's investment policy.

PRESENTATIONS:

Staff Presenter(s): Tiffany Hooten, Finance Director
Additional Presenter(s): Earlene Rich, Deputy Finance Director

SUMMARY:

The city's investment policy was adopted in 2008. The last amendment was in 2013. Since that time, the investment environment has changed. Staff has reviewed the policy for proposed amendments which include the most recent audit recommendations.

PRIOR ACTIONS OR DISCUSSIONS:

The investment policy was adopted in 2008 and amended in 2013. Staff is recommending revisions to the current policy.

ANALYSIS:

Staff Analysis

It is a best practice to review the city's investment policy periodically and recommend amendments to council. It has been six years since the policy was amended. Revising the policy to allow more flexibility in investments in order to yield more interest in the current economy also addresses the audit comment from 2018 regarding the limitations on concentration of credit risk of investments.

The red-lined version of the current policy is attached as well as a final version with the proposed amendments.

Council Goal, Objective, and/or Guiding Principle

These amendments support Goal 2: Financial Sustainability by providing investment objectives of safety, liquidity, and return on investments.

Fiscal Impacts

With additional investment opportunities, possible improved investment yield may be achieved while maintaining a conservative investment portfolio.

Alternatives

- 1 - Support investment policy amendments recommended by staff and the audit.
- 2 - Do not amend the investment policy, against audit recommendations.

STAFF RECOMMENDATION:

Staff recommends council direct staff to prepare and present a resolution incorporating the proposed investment policy amendments at the November 19, 2019 regular city council meeting.