



Agenda Item Details

Meeting	Jul 19, 2017 - City Commission Meeting & Summary
Category	8. APPEARANCES BY CITY COMMISSION APPOINTED BOARDS AND COMMITTEES, AND OTHER GOVERNMENTS
Subject	8.01 (Adjourn as City Commission and convene as Sinking Fund Commission) Approval of changes to the Non-Pension Investment Policy, Commission Policy 234 -- James O. Cooke, IV, City Treasurer-Clerk
Access	Public
Type	Action
Fiscal Impact	No
Budget Source	There is no budgetary impact related to this agenda item.
Recommended Action	Option 1: Approve the proposed revisions to the Non-Pension Investment Policy (234).

Public Content

For more information, please contact: Kent Olson, Deputy Treasurer-Clerk, at (850) 891-8082.

Statement of Issue

The City's Non-Pension Investment Policy (234) provides guidance to the City Treasurer-Clerk on the City's operating fund investments. The proposed revisions will provide more flexibility in managing the City's non-pension investment portfolio as well as update the language of the Policy. The revisions also provide for greater diversification in the investment portfolio.

The Investment Advisory Committee reviewed and approved the proposed revisions at their quarterly meeting on May 17, 2017. The Policy is typically revised every three to five years; the last update was approved on October 8, 2014.

Recommended Action

Option 1: Approve the proposed revisions to the Non-Pension Investment Policy (234).

Fiscal Impact

There is no budgetary impact related to this agenda item.

Supplemental Material/Issue Analysis

History/Facts & Issues

The Non-Pension Investment Policy was last updated three years ago. Staff reviewed the investment policies of some other Florida governments having a similar portfolio size as part of the policy update process. In addition, the State of Florida, just over a year ago, instituted new withdrawal restrictions for municipalities investing in the Special Purpose Investment Account (SPIA), which make SPIA a less attractive investment option. Given these changes and the overall review of the policy, revisions are proposed, which will provide for greater use of professional management of the portfolio and increase the diversification of the portfolio, helping to increase the returns while reducing the overall risk to the portfolio. The staff met with the Investment Advisory Committee on May 17, 2017, and received the approval of the Committee after a minor modification was made to the proposed Policy. There are also some changes to the investments that will be permitted. Changes include:

1. Allowing for a greater portion of the portfolio to be externally managed.
2. Increasing by 10% each, the maximum percentage of the internally managed portfolio that can be invested in corporate bonds, commercial paper and municipal bonds.
3. Increasing by 10% the maximum percentage of the overall portfolio that can be managed externally in investment grade securities.
4. Increasing by 10% the maximum percentage of the overall portfolio that can be managed externally in investment grade securities by any single manager.
5. Updating language and nomenclature that is outdated.

The recommended revisions to the Non-Pension Investment Policy (234) were reviewed and approved by the Investment Advisory Committee at their meeting on May 17, 2017.

Options

Option 1: Approve the proposed revisions to the Non-Pension Investment Policy (234).

Option 2: Provide staff with alternative direction.

Attachments/References

Non-Pension Investment Policy (234), as proposed.

Non-Pension Investment Policy (234), as proposed in legislative format.

[Non-Pension Investment Policy CP234 clean 5-25-17.pdf \(246 KB\)](#)

[Non-Pension Investment Policy CP234 blacklined 5-25-17.pdf \(344 KB\)](#)