



FINANCIAL GOVERNANCE POLICY ANNUAL REVIEW

DS-23-009

January 17, 2023

Background

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- Financial Governance Policy is the comprehensive source for financial policies in the City
- ▣ Investment Policy is part of the Financial Governance Policy and must be adopted annually

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section VIII. Revenues, B. User Fees and Rates Page 19	Add verbiage related to City Charter amendment from May 2022	Any ordinance imposing or increasing a fine or fee shall require a public hearing

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XIII. Capital Equipment/Project Expenditures, C. Capital Project Expenditures, 1. CIP Budget Carryover Page 38	Added reference to City Charter	(per City Charter, Article V. Budget, Section 73)

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXII. Investment Policy, Section G. Investment Types, 2. Eligible Investments (9) Page 71	Moves the policy in line with Public Funds Investment Act (PFIA) and will clearly outline the types of interest-bearing investments or deposits that can be utilized by the City	Adding interest-bearing banking deposits that are FDIC insured to the eligible investments section

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXII. Investment Policy, Section G. Investment Types, 2. Eligible Investments (10) Page 71	A permissible investment under PFIA, commercial paper allows the City to purchase high quality short-term corporate debt. This asset class can provide a significant increase in yield for investments inside of 9 months.	Addition of commercial paper as a permissible investment

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXII. Investment Policy, Section H. Selection of Banks and Brokers/Dealers (4) Page 74	Recommend removing language as it relates to information Broker/Dealers must supply to the City and adding language to allow the City's advisor to provide oversight and bring recommendations to the City for approved broker/dealer list annually.	Updating language as it relates to the Broker/Dealers and Approved List process

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXII. Investment Policy, Section H. Selection of Banks and Brokers/Dealers (5) Page 74-75	This change moves the Policy in line with PFIA and clearly states that all investment purchases with exception of the ones mentioned are to always be done on a competitive basis.	Updating language as it relates to the trade execution

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXII. Investment Policy, Section K. Investment Strategies (2) Page 79; 81	The weighted average maturity restriction was changed to 3 years and the maximum allowable maturity was changed to 5 years to allow the City flexibility in all market environments, particularly the ability to preserve interest income in declining rate environments.	Update to weighted average maturity and maximum investment terms

Proposed Policy Changes

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Policy Change Location	Why Change is Requested	Policy Change
Section XXIII. Management of Monetary Donations, E. Animal Services Unit (ASU) Page 88	Changed director title	Changed management of account from Executive Director of Recreation to Animal Services Director

Next Steps

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Receive City Council feedback and discuss
Financial Governance Policy proposed changes
at the February 7th workshop