

# City of Doral

## Investment Policy Review

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**Leslie Weaber**

Institutional Sales & Relationship Manager

## PFMAM's Investment Policy Review Framework consists of three components:



**Existing Investment Policy should elaborate on these sections and include a recent addition to legislation, as per Section 218.415 Florida Statutes Requirements**

- ▶ Scope
- ▶ **Investment Objectives**
- ▶ Performance Measurement
- ▶ Prudence and Ethical Standards
- ▶ Listing of Authorized Investments
- ▶ Maturity and Liquidity Requirements
- ▶ Portfolio Composition
- ▶ Risk and Diversification
- ▶ Authorized Investment Institutions and Dealers
- ▶ Third-Party Custodial Agreements
- ▶ Master Repurchase Agreement
- ▶ Bid Requirement
- ▶ Internal Controls
- ▶ Continuing Education
- ▶ Reporting

**The City's Investment Policy should update language to be in line with the APT US & C\* Investment Policy Requirements**

- Policy/Purpose
- Scope
- Prudence
- Objective (Safety, Liquidity, Yield)
- Delegation of Authority
- Ethics and Conflict of Interest
- Authorized Financial Dealers and Institutions
- Authorized & Suitable Investments
- **Investment Pools/Mutual Fund Questionnaire**
- Collateralization
- Safekeeping and Custody
- Diversification
- Maximum Maturities
- Internal Control
- Performance Standards
- Reporting
- Investment Policy Adoption
- Glossary

## **Existing Investment Policy meets the GFOA Investment Policy Best Practices recommendations**

- ▶ Scope and investment objectives
- ▶ Roles, responsibilities, and standards of care
- ▶ Suitable and authorized investments
- ▶ Investment diversification
- ▶ Safekeeping, custody, and internal controls
- ▶ Authorized financial institutions, depositories, and broker/dealers
- ▶ Risk and performance standards
- ▶ Reporting and disclosure standards

# Summary of Recommendations for Consideration

- ▶ Increase issuer limit for Local Government Investment Pools to allow further flexibility and diversification.
- ▶ Add and update sections under Section 218.415, Florida Statutes:
  - ▶ The 2023 Florida Legislature made changes to the investment statutes for local governments. The changes became effective July 1, 2023 under 218.415(24). The changes require that investment decisions be based solely on “pecuniary factors.” The term does not include consideration of the furtherance of any social, political, or ideological interests.
- ▶ Update Investment Pool/Fund Questionnaire to better align with APT US & C\* Investment Policy Requirements.
- ▶ Miscellaneous minor updates for formatting and including state statute code.
- ▶ Include language in the authorized investments and portfolio composition section to allow for further clarification as it relates to bond proceeds.

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