



Investment Policy Update

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Investment Policy Update

Current Investment Policy

- The Village's current investment policy was last updated in 2018.
- The current policy is comprehensive and provides the appropriate guidelines and parameters based on the Village's primary investment objectives of safety, liquidity and yield.
- The investment policy statement is structured to maintain compliance with Florida State Statutes that govern Florida public funds, including Chapter 218.415

Annual Investment Review

- The Village's investment policy is reviewed at least annually and discussed during a quarterly investment review.
- During each previous annual review, it was determined the investment policy statement provides the necessary requirements including Investment Objectives, Authorized Investments, Reporting and Performance Measures
- During the year 2022, Governor Desantis signed into law HB3 which adds new language to Statute 218.415 regarding public funds investment decisions. Specifically, the new law, Ch. 218.415(24)(a)(b), requires public funds investment decisions be made solely based on pecuniary factors and may not subordinate the interests of the beneficiaries of the investments to other objectives.

Source: http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0200-0299/0218/Sections/0218.415.html

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Recommended Updates

- Remove the following Appendices:
 - A. Florida Statutes: The Investment Advisor will provide an update to any changes to the Statute and recommend changes as necessary
 - B. GFOA recommended practices: The Investment Advisor will provide an update to any changes to the Statute and recommend changes to the Investment Policy if necessary.
 - C. Investment Certification Form: This is only necessary if the Village is purchasing securities directly, without a broker/dealer.
- Section V. Maturity and Liquidity Requirements: added a section to discuss the investment of Bond Proceeds.
- Section VI. Suitable and Authorized Investments:
 - Increased allocation to AAA rated Intergovernmental Investment Pools from 25% to 35% for increased liquidity when necessary and updated ratings to include AAAM (stable) and AA Af (fluctuating) investment pool programs.
 - Confirmed maximum combined amount of 35% to all corporate sectors (Commercial Paper, Corporate Notes, Asset Backed Securities)
 - Changed the time to final maturity from purchase date to settle date to reflect when the timeframe from when the securities are received
- Section VII. Updated language to confirm responsibilities for approving and maintaining a list of approved broker/dealers and establishing the qualifications. The language also provides minimum criteria for approved broker/dealers.
- XIV. Performance Measurements: updated language to provide flexibility for changing/adding benchmarks based on portfolio strategy
- XV. Investment Decisions: Included a paragraph to reflect the new language in Florida Statute 218.415(24)(a)(b) to confirm the Village complies with the law.

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