

<u>Item</u>	<u>Current</u>	<u>Proposed</u>	<u>Reason</u>
Compliance with Florida Statue 218.415	The current policy is compliant but dated.	Update policy to reflect current Statute and permitted investments.	Will allow the City to further diversify its investment portfolio and program
GFOA Best Practices for Investment Policy and Investment Program	Many best practices in use but GFOA best practices evolve over time.	Update policy and implement current best practices regarding the investment policy and program.	Enhances the quality of decision making and demonstrates a commitment to the fiduciary care of public funds
Obtain Standard and Poor's (S&P) rating for the City's investment program.	Currently Not Rated.	Engage S&P to provide due diligence on the investment program and publish a rating based on safety and liquidity.	Continually verify the proper safety, liquidity and diversification objectives are being adhered to.
Obtain Investment Policy Certification from the Association of Public Treasurers (APT).	Currently not certified.	Engage the APT to review, provide guidance and certify the City's investment policy.	Provides an extra level of transparency. Establishes confidence for the governing body and the Citizens.
U.S. Government Agency allocation change	Maximum allocation of 50% with a 40% per issuer limitation	Change per issuer allocation cap to 25%	The significant decline in supply and complicated structure of Agency bonds decreases the liquidity profile compared to other U.S. Government issuers.
Federal Instrumentality (GSE) allocation change.	Maximum allocation is 50%	Increase permitted maximum allocation of Federal Instrumentalities to 80%.	US Treasury and Agency supply landscape has changed in favor of GSE's. Instrumentalities have the implied backing of the US Government.
State of Israel Bonds max maturity and funding source change	Current maturity limit is 7 years. All City investment funds available for investment. 5% maximum allocation	Limit maximum maturity to 3 years and limit exposure to operating/reserve funds. 5% maximum allocation.	Israel Bonds are not liquid and therefore should be limited in maturity and funding source to minimize liquidity risk. Bond Proceeds should not be used to calculate maximum allocation.
Interest Bearing Time Deposit and Saving Account Allocation Change	Maximum allocation is 100%	Decrease permitted maximum allocation to 25%	Time Deposits in most cases are not liquid. Decreasing the allocation would minimize liquidity risk and promote diversification.
Repurchase Agreement max allocation change	Maximum allocation is 100%	Decrease permitted maximum allocation to 25%	Repurchase Agreements are overnight instruments with varying collateral requirements. This change would promote diversification.
Florida League of Cities Mutual Funds rated "AAAF"	Maximum allocation is 25% per fund.	Decrease permitted maximum allocation to 10% per fund.	Mutual funds with a rating that includes "F" indicates a fluctuating market value. This change would reduce the allocation to overnight investments that have volatility risk.

ATTACHMENT 1

<u>Item</u>	<u>Current</u>	<u>Proposed</u>	<u>Reason</u>
Commercial Paper	Currently there is no stated maximum maturity.	Updated policy to reflect a maximum maturity of 270 days.	Commercial paper is typically issued with a maturity of 30 days to a maximum of 270 days. This change formally states a maximum maturity in the policy.
AAA rated Asset Backed Securities (ABS) inclusion	Not Permitted	Permit securities that are AAA rated with a maximum allocation of 15% and not exceed 5% per issuer	ABS is a high-quality security class with strong risk adjusted return potential and will promote additional diversification in the portfolio at minimal additional credit risk.
State and Local Government Taxable or Tax-Exempt Debt Allocation change	Maximum allocation of 50% with a 10-year max maturity	Maximum allocation of 20% with a max maturity of 5 years.	Municipal Securities are typically less liquid with rapidly changing credit profiles. Limiting the max percentage will promote diversification and minimize interest rate and credit risk.
Florida Prime Fund	Maximum allocation of 100%	Maximum allocation of 25%	FLPRIME is the investment pooled fund run by the Florida SBA that “broke the buck” in 2007. Currently under new management.