



## Legislation Details (With Text)

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**File created:** 7/31/2018      **In control:** Board of Directors

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**Title:** Amendments to the Great Lakes Water Authority Investment Policy

**Sponsors:** Nicolette Bateson

**Indexes:** Finance

**Code sections:**

**Attachments:** 1. Investment Policy with highlighted changes for Board Approval Aug 2018, 2. GLWA\_Investment Policy PFM Review Memo for Board

Date	Ver.	Action By	Action	Result
8/22/2018	1	Board of Directors	Approved	Pass

### Amendments to the Great Lakes Water Authority Investment Policy

Agenda of: August 22, 2018  
Item No.: **2018-867**  
Amount: N/A

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Sue F. McCormick  
Chief Executive Officer  
Great Lakes Water Authority

**DATE:** July 27, 2018

**RE:** **Amendments to the Great Lakes Water Authority Investment Policy**

#### MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the proposed amendments to the Investment Policy as presented;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### BACKGROUND

The current Investment Policy was adopted on October 22, 2015 and amended on September 14, 2016 by the GLWA Board. A periodic review of the policy is required to ensure the policies governing the management of the portfolio

continue to be relevant and are implemented and monitored as stated.

### **JUSTIFICATION**

The PFM Asset Management (PFM) team was asked to review the GLWA Investment policy. In general, the goal of the amendments is to enhance the policy language related to management of funds and the safety and security of investment types. Based on PFM's review and subsequent internal discussions, the following changes are recommended:

1. Section 3 has been amended to specifically state that GLWA may use a qualified investment advisor as a money manager.
2. Section 7(C) has been amended to add language defining the parameters under which GLWA can sell a security.
3. Section 10(E) has been amended to further define restrictions related to the purchase of bankers' acceptances.
4. Section 10(J) was added to minimize concentration risk by placing limits and restrictions on different types of investment securities.

Attached is a memo from PFM along with a mark-up copy of the investment policy reflecting the proposed changes.

### **COMMITTEE REVIEW**

This item was reviewed by the Audit Committee at its meeting on July 20, 2018. The Audit Committee unanimously recommended that the GLWA Board adopt the amended Investment Policy.