

Legislation Text

File #: 18-626, **Version:** 1

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AN AMENDED INVESTMENT POLICY FOR THE CITY OF POMPANO BEACH; PROVIDING AN EFFECTIVE DATE.

(Fiscal Impact: N/A)

(**Staff Contact:** Andrew Jean-Pierre)

Summary Explanation/Background:

The City has an investment policy which has been previously approved by the City Commission. The existing policy was prepared based on input from the City's Investment Management Firm (Insight Investment). The policy needs to be amended to provide guidance on the investment of assets derived from the issuance of debt. The changes are necessary to address Internal Revenue Service (IRS) requirements on how bond proceeds are invested. IRS rules restrict the ability for the City to earn arbitrage in connection with tax-exempt bonds. Specifically there are restrictions on investing the bonds proceeds at an investment yield above the bond yield (cost to the City). Section XIII of the attached Investment Policy has been added to reflect these requirements.

Origin of request for this action: Finance Department

Fiscal impact and source of funding: N/A