

## MEMORANDUM

**TO: District Library Board**

**September 13, 2023**

**FR: Robert Guzzo, Business Services Manager**

**RE: Board Adoption of District Investment Policy**

### **Explanation:**

Part of the District's Strategic Operations Plan includes planning for the ongoing capacity and future needs of the District. To support this effort, the Business Services department has been investigating best practices employed by special districts and public entities for managing finances sustainably, keeping pace with increasing costs in an inflationary environment. The adoption of a formal investment policy will enable the District to be responsive to economic volatility while also maintaining accountability, financial control, and prudent use of public funds.

The fundamental objectives for investment of public funds are (in order of importance):

1. Safety – Investments seek to ensure preservation of capital by mitigating risk.
2. Liquidity – Investments meet all operating expenditures that can be reasonably anticipated.
3. Return – Investments seek to maximize return, but not to the detriment of safety and liquidity.

If adopted by the District, the proposed investment policy will grant authority to the Business Services Manager to act as the District's "investment officer". The investment officer is charged with responsibility for:

1. Managing the District's investment portfolio in accordance with District policy and procedures.
2. Developing written procedures and internal controls for the operation of the investment program consistent with the investment policy.
3. Performing annual review of the financial condition and registration of all qualified investment brokers and financial institutions with whom the District invests.
4. Performing annual review of the investment policy and seeking Board authorization for any amendments.
5. Reporting on status of the investment portfolio to the Board on a quarterly basis.
6. Disclosing any personal business activity or other conflict of interest by themselves or any other persons involved in the investment process that would impair their ability to make decisions on behalf of the District in keeping with the public trust.

### **Recommended Motion:**

Board member moves to adopt the proposed District Investment Policy.