



Cover Memorandum/Staff Report

File #: 24-630

Agenda Date: 8/5/2024

Item #: 6.C.

TO: Mayor and Commissioners
FROM: Hugh Dunkley, Chief Financial Officer
THROUGH: Terrence R. Moore, ICMA-CM
DATE: August 5, 2024

INVESTMENT POLICY STATEMENT REVIEW

Recommended Action:

Motion to accept the proposed changes in the Investment Policy Statement.

Background:

The City desires to update its Investment Policy Statement (IPS) to provide consistency with state law. During the 2023 state legislative session, the Florida Statutes (F.S.) were amended to require state and local governments to only consider pecuniary (financial) factors when making investments and prohibit local governments from considering non-pecuniary factors such as social, political, or ideological interests. The current IPS requires the proposed changes due to Recent Legislative actions.

The proposed changes are highlighted below:

Under Section VI. ETHICS AND CONFLICT OF INTEREST, the following section was added to comply with F.S.218.415- Section 24.

Investment Decisions: In accordance with Section 218.415, Florida Statutes, the governing body or the respective principal officer of the City of Delray Beach will make decisions based solely on pecuniary factors and may not subordinate the interests of its beneficiaries to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any non-pecuniary factor. As per Section 218.415, Florida Statutes, the term "pecuniary factor" means a factor that is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy of the City of Delray Beach. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

No financial impact

Timing of Request:

This is time sensitive

