

2016 Investment and Banking Policy Annual Update

November 7, 2016

Presentation Purpose

- Annual review of investment and banking policy:
 - RCW changes during the year
 - Authorized personnel changes
- Information only, no action today
- Board action to be requested November 21

Investment policy updates

To reflect revisions to applicable RCW's (Revised Code of Washington):

- Mutual Funds/Money Market funds/
Guaranteed Bank Bonds no longer authorized
(RCW 39.59.010 & 39.59.030)
 - No material District impacts – not utilized
- Clarification of authorized Government
Agencies and Government Sponsored
Agencies (RCW 39.59.040)
 - No District impacts – language changes

Investment policy updates

To reflect Washington Investment Board policy changes:

- Washington Investment Board term change for Commercial Paper (Policy 2.05.500)
 - Increase maximum maturity to 270 days (from 180)
 - Reduce limit per issuer to 3% (from 5%)
 - No material District impacts – minimal usage

Authorized signers

- Schedule 4 – Issuance of Warrants
 - Removal of staff no longer performing task
- Schedule 6 – Issuance of Electronic Funds Transfers (EFT)
 - Staffing update
 - Enhanced definition to include Federal as well as State payments to be supported by Accounting staff

Summary of Changes

- Updates to conform to revised RCW's and State Investment Board policies
- Policy changes have minimal District impact
- Update to language for authorized investments
- Update to authorized signers

Next Steps/Questions

- Board and Customer feedback period (next two weeks).
- Requesting approval of Resolution at the November 21, 2016 Board meeting