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**TO:** Board of Commissioners  
**FROM:** Sarah Reeves, Executive Director  
Nola Ricci, Finance Director  
**DATE:** January 20, 2023  
**RE:** Change to Investment Policy

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The Investment Committee (comprised of members of the Finance Committee) met on December 14, 2022 and heard from representatives of M&T Bank (our primary banking institution, formerly People’s Bank). The committee and staff are interested in options for generating revenue from our cash reserves, specifically from interest-bearing accounts and/or products or processes designed for municipal customers. The main option discussed was short term Treasury Bills which would allow the District to realize a better return on our cash reserves (currently housed in money market accounts) and maintain cash liquidity. The Investment Policy states that investments can only be in Permitted Investments and within the guidelines of safety of principal and maintenance of sufficient liquidity.

The Investment Policy establishes that the Investment Committee is responsible for *“review of the investment portfolio and making decisions regarding reinvestment of available funds, subject to policy guidelines. Portfolio changes will take place as necessary in order to achieve investment objectives; approved changes will be communicated to professional Investment Manager for execution.”*

CSWD does not currently employ or contract with a professional Investment Manager. The District is not required to retain an Investment Manager, but may choose to do so if it deems it necessary. The policy is silent on who shall execute the direction established by the Investment Committee in the absence of an Investment Manager.

From Atty Melloni, in response to questions posed by Chair Ruess: *“In general, I think that when the Board establishes a clear policy, then the Management of the District – i.e. the Executive Director - has the authority to act within that designation of policy authorization... it would be wise to update the Policy to address what happens if the District does not have an Investment manager and perhaps clarify what authority the Executive Director has with respect to reinvesting of funds.”*

Recommendation from Executive Director and Finance Director:

- Amend the Investment Policy to authorize the Executive Director and Finance Director, in the absence of a professional Investment Manager and working jointly, to carry out the recommendations of the Investment Committee regarding investment objectives.

**Be it Resolved that the District Investment Policy is amended to authorize the Executive Director and Director of Finance to execute the decisions of the Investment Committee regarding investment and reinvestment of District funds, subject to policy guidelines.**