

**CITY OF GOLD BAR, WASHINGTON
RESOLUTION NO. 20-11**

**A RESOLUTION OF THE CITY OF GOLD BAR, WASHINGTON AMENDING THE CITY'S
FINANCIAL PLAN**

WHEREAS, the Water Capital Fund has a healthy balance for use on capital projects; and,

WHEREAS, the City's current bank does not offer interest; and

WHEREAS, allowing water capital funds to earn interest is better stewardship of public funds; and

WHEREAS, the City takes part in the Local Government Investment Pool which earns interest; and

WHEREAS, the City's current Financial Plan has a section on investment policies but does not set benchmarks for transferring funds within the City's banking system;

NOW THEREFORE BE IT RESOLVED by the governing body of the City of Gold Bar that the City's Financial Plan be amended to include a new section as follows.

Section I Capital Investment Policy
Section II Severability
Section III Effective Date

Section I, Capital Investment Policy

Water Capital Fund

1. Objective. Water Capital Fund monies will be invested in a manner that is in conformance with federal, state, and other legal requirements. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital without limiting the City's ability to meet all cash requirements and to maintain a minimum balance to meet daily obligations.
2. Delegation of Authority. The ultimate responsibility and authority for the investment of City funds resides with the City Council following recommendations from the City Treasurer and/or Mayor.
3. Ethics. Employees and elected officials involved in City investment actions, recommendations, and review, shall avoid activity that may conflict with the proper execution of investments, impair their ability to make impartial investment decisions, and/or imply any appearance of conflict. Employees and elected officials must disclose any conflicts or appearances of conflict.
4. Authorized Financial Institutions. No public deposit shall be made except in a qualified public depository as provided in the Revised Code of Washington (RCW) 39.58.080. The City shall invest funds with the Local Government Investment Pool (LGIP) managed by the Washington State Treasurer's Office.
5. Authorized Investments. The Council, Mayor, and City Treasurer shall at all times consider potential changes in the economy and market conditions, in order to maintain revenue to cover budgeted capital projects and general capital expenditures.
 - A. The City Treasurer shall research transfers of Water Capital Fund revenue when the Fund's beginning balance reaches \$400,000.

B. Investment transfers shall not lower the Water Capital Fund beginning balance below the threshold of \$300,000.

C. The City Treasurer may choose to maintain a higher beginning balance based on review of City requirements, budgeted capital projects, and the current economy.

6. Reporting and Oversight. The City Treasurer shall provide the Mayor and Council with regular reports on revenue and expenditures, including interest received on investments. No transfers shall take place without authorization of the governing body. Bank Statements and LGIP statements shall be reconciled monthly by the City Treasurer and reviewed by the Mayor and the City's Finance Committee.

Section II, Severability

This resolution is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section III, Effective Date

This Resolution shall take effect from, and after, its passage and approval, as provided by law.

Resolved this 21st day of JULY, 2020.

APPROVED:

Jordan Sears
~~Bill Clem~~, Mayor Pro Tem
Jordan Sears

ATTEST/AUTHENTICATED:

Lisa Stowe
Lisa Stowe, Clerk/Treasurer