



Chicago Park District

Legislation Text

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AMENDMENT OF THE INVESTMENT POLICY OF THE CHICAGO PARK DISTRICT

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

It is recommended that the Board of Commissioners adopt amendments to the Chicago Park District's (the "Park District") current Investment Policy (the "Policy"). The amendments primarily affect two sections of the Policy: Section 7: Authorized and Suitable Investments and Section 8: Diversification.

Changes that are being recommended in the current parameters of Section 7 - Authorized and Suitable Investments, are for two separate sub-sections: (1) sub-section iv relates to Commercial Paper (the "CP") and the amendment will extend the current duration of the maturity date; and (2) sub-section ix will be amended to mirror recent language changes to the Illinois Public Funds Investment Act with respect to interest bearing bonds in sub-section ix.

As to Section 8 - Diversification Sub-section iv, the recommendation is to specifically change the 20% of CP portfolio in any single issuer's name to a specific dollar amount. In addition, there is routine language clean-up of the Policy.

Section 7 - Authorized and Suitable Investments:

a. The following parameter of sub-section iv will be amended to expand the maturity date from 180 days to not to exceed 270 days to allow for more flexibility to purchase CP.

b. Sub-section ix will reflect recent language which has been incorporated into the Illinois Public Funds Investment Act which allows public funds to be invested in interest bearing bonds in any state as well as in the State of Illinois.

Section 8: Diversification:

The Park District's Policy has two components of diversification in relation to CP: 1) CP purchases may not exceed 33% of the Park District's portfolio; and 2) the Park District or any fund manager shall at no time hold more than 20% of the commercial paper portfolio in any single issuers' name. The recommendation is to change the 20% requirement by removing and replacing it with an absolute dollar cap in any one issuer's name- for a cap of \$15,000,000 maximum exposure per name.

II. Explanation

The public funds held by the Park District are governed by the Illinois Public Funds Investment Act (30 ILCS 235/1 *et seq.*) and the Park District's Policy adopted by the Board of Commissioners on September 13, 1994, as amended and approved on June 14, 2000 as further amended and approved on December 4, 2000, as further amended and approved on July 18, 2007 and as further amended and approved on August 14, 2013.

These amendments shall be effective as of the date of its adoption. The amendments will affect Sections 7.iv and ix and Section 8.iv of Park District's Policy.

