

BACKGROUND

CSHF's Investment Policy dictates the parameters within which CSHF may invest and manage its assets. Per CSHF bylaws, City Council is responsible for approving the Investment Policy. The last time the Investment Policy was updated and approved was in 2016.

A sub-committee of CSHF's board, previously R. Thayer Tutt, Jr., Treasurer and Jon Medved, and now Tutt, Board Chair, and Jim Johnson, Treasurer, determined that the policy would benefit from some updating. Most are minor in nature – more wordsmithing than substantive – although there are a few important clarifications and changes proposed.

SUMMARY OF KEY CHANGES

- III.A. We recommend clarifying the source of the Foundation's creation and its purpose using language consistent with other documents.
- IV. We recommend that CSHF Trustees have the responsibility and authority to hire outside investment-related advisors, which, if approved, will require a change to CSHF's bylaws to ensure consistency.
- IV. We recommend that at least every three years, Trustees will assess its investment advisory/consultancy relationship and report these results to City Council.
- V.D. We recommend clarifying the calculation of the 5% maximum annual payout
- V.E. We recommend adding a bi-annual calculation and comparison of the corpus (as defined by Resolution 92-12, Section 2) to the Foundation's total asset value to ensure that total assets are not below the corpus calculation.
- VI. We recommend increasing the allowable cash range from 0 – 5% to 0 – 10%. This will make the policy more conservative.
- VI. We recommend clarifying language regarding the guidelines to prevent excessive investment concentrations.
- VII. We recommend adding a requirement that annually, an independent auditor review CSHF's financials, including its investment portfolio, to ensure they are "fairly presented."

While there are many more changes to wording (lots of red in the red-line!), they are wordsmithing in nature and are not substantially different from the current policy.

CSHF worked with its City Council Liaisons, CMs Knight and Geislinger, during November through January. They have expressed their support for these revisions, and were an important part of developing and finalizing the proposed changes, for which we are grateful.