



Legislation Text

File #: 22-793, **Version:** 1

A Resolution approving the Cemetery Endowment Fund Investment Policy

Presenter:

Charae McDaniel, Chief Financial Officer

Summary:

The City of Colorado Springs Cemetery Endowment Fund provides funding for the perpetual maintenance of the City-owned cemeteries. The objective of the Cemetery Investment Policy is to create long-term growth of the assets of the Endowment Fund and to preserve the ability of the Fund to meet its current and long-term spending policies while minimizing risk of unrealized losses on principal assets. Per City Code, City Council approves the Cemetery Endowment Fund Investment Policy.

The proposed changes to the Cemetery Investment Policy include removing references to the Investment Advisory Committee, which was dissolved by City Council (Ord 122-22), and aligning the investment policy with the investment strategy and policy structure recommended by the City's new investment advisor for the Cemetery Endowment Fund, Chandler Asset Management (Chandler).

Background:

Per City Code §1.6.102(B), the City maintains a separate investment policy for the Cemetery Endowment Fund and hires an investment advisor to manage the portfolio. During 2021, the City issued an RFP for investment advisory services and Chandler Asset Management was awarded the contract. With a new advisor on contract, the City and Chandler reviewed the current policy and discussed changes to align with the new advisor's investment plan and approach.

The proposed policy removes references to the now-dissolved Investment Advisory Committee and streamlines the policy and aligns the parameters with the investment objectives and strategy. The recommended changes also revise the targets for specific asset classes and create a section to list permitted investments and market sectors.

The City's Cemetery Endowment Policy governs the investments of the Cemetery Endowment fund. At the close of 2022, the balance in the Cemetery Endowment fund was \$11.1 million.

Previous Council Action:

On August 9, 1977, City Council approved Ordinance No. 77-110. The ordinance relates to the investment of the Cemetery Endowment funds and states, "All monies at any time in said funds shall be invested and kept invested in such securities as the Council may by Resolution direct or approve." City Council adopted the City's original Cemetery Endowment Investment Policy by resolution in January, 1995. The policy has since been revised and approved by City Council on a number of occasions, most recently in January, 2016.

Financial Implications:

There are no explicit financial implications related to these policy changes, however, the policy changes are intended to generate a return based upon the City's risk tolerance and income needs.

City Council Appointed Board/Commission/Committee Recommendation:

Enter Board, Commission, or Committee recommendation. Enter N/A if not applicable.

Stakeholder Process:

N/A

Alternatives:

City Council could decline to approve the proposed Cemetery Endowment Fund Investment Policy and the currently approved policy would continue to guide investments.

Proposed Motion:

Move to approve a Resolution approving the Cemetery Endowment Fund Investment Policy

N/A