



## Legislation Text

File #: 130364, Version: 2

130364  
SUBSTITUTE 2

### THE CHAIR

A substitute ordinance relating to the investment of city pooled funds.

304-6-1-c rc

304-6-2 am

304-6-3-b am

304-6-3-c am

304-6-3-d cr

304-6-4-b am

304-6-5-a am

304-6-5-d rc

304-46 rp

Currently, the common council annually approves the investment agreement between the city treasurer and the bank or trust company for the investment of the city's pooled funds. This ordinance amends code provisions to allow the city treasurer to enter into an agreement for the investment of the city's pooled funds without common council approval. This ordinance also requires that the common council's annual review of the performance of the city treasurer concerning the investment of pooled funds include the net income on the pooled cash portfolio. Finally, this ordinance repeals an obsolete section of the code relating to the investment of funds by the city treasurer.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 304-6-1-c of the code is repealed and recreated to read:

### **304-6. Investment of City Pooled Funds.**

#### **1. DEFINITIONS.**

c. "Total return" means the capital gains or losses on the portfolio and the net income of the portfolio.

Part 2. Section 304-6-2 of the code is amended to read:

2. INTENT. It is the intent of the city to ~~[[issue commercial paper]]~~ >>use debt<< to enable all available pooled funds, to the maximum extent practicable, to be ~~[[annually]]~~ placed in investments other than the state of Wisconsin local government investment pool, to reduce the impact of liquidity needs on investment options, and to enhance investment performance relative to that available through the local government investment pool and bank deposits.

Part 3. Section 304-6-3-b and c of the code is amended to read:

#### **3. INVESTMENT AUTHORITY.**

b. The city comptroller shall issue ~~[[commercial paper]]~~ >>debt<< authorized through the public debt commission and in consultation with the city treasurer concerning the city's cash flow and the need for available funds to pay for obligations of the city.

c. The city treasurer shall provide the city comptroller's office with timely access to all information and systems relating to funds on hand in the city treasury necessary to facilitate the issuance of ~~[[ commercial paper]]~~ >>debt<< when required to assure adequate cash liquidity.

Part 4. Section 304-6-3-d of the code is created to read:

d. The city comptroller shall submit to the city treasurer the debt costs for the prior year associated with the investment of the pooled funds' impact on the city's cash flow and the need for immediately available funds no later than February 15 of each year.

Part 5. Section 304-6-4-b of the code is amended to read:

**4. INVESTMENTS.**

b. ~~[[The common council shall approve annually the investment agreement between the city treasurer and the bank or trust company with which the funds are invested.]]~~ The common council shall >>also<<review annually the performance of the bank or trust company with which funds are invested.

Part 6. Section 304-6-5-a of the code is amended to read:

**5. COMMON COUNCIL REVIEW.**

a. ~~[[Income]]~~>>Net income<< on the portfolio.

Part 7. Section 304-6-5-d of the code is repealed and recreated to read:

d. The annual costs associated with issuing debt concerning the city's cash flow and the need for available funds to pay for obligations of the city.

Part 8 . Section 304-46 of the code is repealed. (Note: The provision being repealed reads as follows:

**304-46. Investment of Funds by City Treasurer.**

Pursuant to s. 18.01 of the charter, the common council vests the authority to invest funds not authorized for investment by the comptroller under s. 304-6 to the city treasurer.)

APPROVED AS TO FORM

\_\_\_\_\_  
Legislative Reference Bureau

Date: \_\_\_\_\_

IT IS OUR OPINION THAT THE ORDINANCE  
IS LEGAL AND ENFORCEABLE

\_\_\_\_\_  
Office of the City Attorney

Date: \_\_\_\_\_

City Treasurer

LRB147457-4

Jim Carroll

7/15/13