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Title:	A MOTION creating the King County investment pool advisory panel.		
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Date	Ver.	Action By	Action	Result
10/8/2007	2	Metropolitan King County Council	Passed as Amended	Pass
10/8/2007	2	Committee of the Whole	Recommended Do Pass Substitute	Pass
10/1/2007	1	Metropolitan King County Council	Introduced and Referred	

A MOTION creating the King County investment pool advisory panel.

WHEREAS, the King County investment pool was established in 1989 to preserve and protect capital and provide a market rate of return on public funds through budgetary and economic cycles, and

WHEREAS, today, the pool is one of the largest public investment pools in the state of Washington, holding over four billion dollars in public funds, and

WHEREAS, the pool is available to all districts, agencies and public authorities in King County, except incorporated cities, to invest their cash reserves, and nearly one hundred of these entities have chosen to become members of the pool, and

WHEREAS, the executive finance committee oversees the investment of funds in the pool and seeks to maximize the rate of return on its portfolio subject to the safety and liquidity of the instruments authorized under state law, and

WHEREAS, the investment pool is currently assigned the highest credit quality rating by Standard and

Poor's Rating Services, and

WHEREAS, recent financial market conditions have generated investment situations not previously encountered by the pool, and

WHEREAS, the metropolitan King County council has a long history of responsible stewardship and oversight of the public's money;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. The King County investment pool advisory panel is hereby created.

1. The metropolitan King County council shall appoint a three-member advisory panel to conduct a comprehensive review of the King County investment pool. This review shall include comparisons to similar investment pools. Members shall be experts in the financial industry and shall be selected based upon their knowledge of financial markets and instruments, public investment pools and macroeconomics.

2. The advisory panel will review the King County investment pool in the following areas:

a. the investment goals of the pool, including risk tolerance, liquidity targets and rates of return;

b. the membership goals of the pool, including the size of membership, the value of maintaining a high credit rating with a national rating agency, and the roles and responsibility of members in sharing risks and returns;

c. the investment policies of the pool, including maturity, duration, liquidity and diversification policies, as well as the types, creditworthiness and limits on the securities held by the pool;

d. the portfolio of the pool, including how well investment goals are maximized and policies are followed; and

e. the management structure of the pool, including how day-to-day operational and investment decisions are made and the role of the executive finance committee. The pool's structure shall be reviewed for its inclusion of financial expertise and the availability of objective advice when establishing investment policies and practices. The need for representation of other pool members in the policy decision-making process shall

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also be reviewed.

3. The advisory panel shall assess the need for and possible models of incorporating outside financial experts to help guide the policy and operational decisions of the pool.

4. The advisory panel shall review the written investment policies of the county and assess the availability of these policies to the public.

B. Nominations for appointments shall be provided to the council chair by councilmembers by October 19, 2007. The chair of the council, in consultation with the chairs of the operating budget, fiscal management and mental health committee and the capital budget committee, or their successors, shall appoint members, including a chair, by motion by October 29, 2007.

C. The advisory panel shall convene by December 3, 2007, and present a work program to the council by December 14, 2007, with a final report due to the council by March 3, 2008. Sixteen copies of the report shall be filed with the clerk of the council for distribution to all councilmembers and budget committee staff.

D. Staff to the advisory panel shall be provided by the metropolitan King County council.

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