

# Mayor and Council Communication

**DATE:** 08/24/21

**M&C FILE NUMBER:** M&C 21-0593

**LOG NAME:** 13GENERAL PORTFOLIO INVESTMENT POLICY AND STRATEGY 2021

**SUBJECT**

(ALL) Adopt the Attached Amended and Revised Investment Policy and Strategy for the City's General Portfolio

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**RECOMMENDATION:**

It is recommended that the City Council adopt the attached amended and revised Investment Policy and Strategy for the City's General Portfolio.

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**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to adopt an amended and revised Investment Policy and Strategy (IPS) for the City's General Portfolio in accordance with the requirements of the Public Funds Investment Act, Texas Local Government Code Chapter 2256 and the Public Funds Collateral Act, Texas Local Government Code Chapter 2257 (State Law).

State Law requires the Investment Policy and Strategy document be reviewed, at least annually, by the governing body. The IPS was last approved on September 22, 2020 (M&C 20-0686). This policy formalizes the framework for the City's investment activities for all funds, with the exception of funds held in the Fort Worth Permanent Fund and the Fort Worth Other Post-Employment Benefits trusts. Those funds are governed by separate IPS documents.

The proposed policy change, as described below, is designed to give the Investment Officers the flexibility to effectively manage the General Portfolio based on changing market conditions.

**Section XIII. Internal Controls Strategies/Monitoring Credit Ratings**

- The paragraph of this section was revised to provide more clarity as to the options available if an investment's credit rating falls below the minimum rating required by the Public Funds Investment Act or by policy.
- The additional language added to this section was recommended by the Government Treasurers' Organization of Texas (GTOT) when they reviewed the City's General Portfolio Investment Policy and Strategy for certification. GTOT certified the the policy on May 19, 2021. Based on the recommendation from GTOT, staff proposes to add the additional language to the policy.

The City's Investment Committee recommends the above described changes to the General Portfolio IPS.

A redline displaying the proposed changes to the current policy is attached for your convenience. See page 14.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

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