

# Mayor and Council Communication

**DATE:** 09/10/19

**M&C FILE NUMBER:** M&C 19-0144

**LOG NAME:** 13GENERAL PORTFOLIO INVESTMENT POLICY AND STRATEGY 2019

**SUBJECT**

Adopt a Revised Investment Policy and Strategy for the City's General Portfolio (ALL COUNCIL DISTRICTS)

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**RECOMMENDATION:**

It is recommended that the City Council adopt the attached amended and revised City of Fort Worth, Texas 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 (PFIA), Texas Local Government Code 2256. The PFIA requires that the Investment Policy and Strategy document be reviewed at least annually. The IPS was last approved on September 11, 2018

Staff and the Investment Committee have reviewed the IPS and are recommending revisions to have the language of the IPS reflect a change to the PFIA. Other changes include correcting punctuation errors.

Recommended changes include:

**Section VI. Standard of Care, paragraph 1**

Change a comma to a colon and adding quotation marks.

**Section X, Authorized Investments, Subsection 4,**

**From:** Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies, with a maximum stated maturity of two-hundred seventy (270) days.

**To:** Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies, with a maximum stated maturity of three-hundred sixty five (365) days.

This change is due to the Texas Legislature changing the PFIA to allow investment in commercial paper with a maximum maturity of 365 days. The previous maximum maturity was 270 days.

A redline of the original policy has been attached to show all of the changes that were made.

A Form 1295 is not required for this contract 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 the Investment Policy and Strategy provides the foundation for sound investment management. The policy provides guidance on appropriate investment practices insuring both short-term and long-term financial success for the City of Fort Worth.

The adoption of this IPS has no material effect on City funds.

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