

Mayor and Council Communication

DATE: 08/24/21

M&C FILE NUMBER: M&C 21-0592

LOG NAME: 13FORT WORTH PERMANENT FUND INVESTMENT POLICY AND STRATEGY 21

SUBJECT

(ALL) Adopt Attached Amended and Revised Investment Policy and Strategy for the Fort Worth Permanent Fund for the City's Mineral Trust

RECOMMENDATION:

It is recommended that the City Council adopt the attached amended and revised Fort Worth Permanent Fund Investment Policy and Strategy for the City's Mineral Trust.

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 Fort Worth Permanent Fund (FWPF) 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 22, 2020 (M&C 20-0685). The Fort Worth Permanent Fund Investment Policy and Strategy provides the foundation for solid fiscal management. The policy provides guidance on appropriate investment practices ensuring financial success for the FWPF.

The proposed policy change, as described below, is designed to give the Investment Manager the flexibility to effectively manage the Permanent Fund Trust based on changing market conditions.

Section X. Diversification

- Change the investment "Range" for "Cash, Cash Equivalents, and Fixed Income" from 29 - 49% to 30 - 55%; and
- Change the investment "Range" for "Equities" from 27 - 47% to 30 - 55%.

The investment targets for both categories has not changed. These changes would give the Investment Manager a little more flexibility during times of low interest rates in the fixed income market.

A redline displaying the proposed changes to the current policy is attached for your convenience. See pages 8 and 9.

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

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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