



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #10 SUMMARY

Approve an amendment to the Policy Code relating to the investment policies.

Strategic Plan Relevance: Regional Mobility

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: Yes

Description of Matter:

The Public Funds Investment Act (PFIA) requires governing bodies to annually adopt its investment policy. The only change to the policy we are recommending this year is allowing the maximum maturity for individual securities to be up to 5 years to the extent cash flows allow. Any maturity greater than 5 years would require Board approval.

Reference documentation: Draft Resolution
Amendment to Investment Policy

Contact for further information:

Cindy Demers, Controller

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 14-___

**APPROVING TO THE INVESTMENT POLICY (ARTICLE 1, CHAPTER 2 OF THE
POLICY CODE) FOLLOWING THE ANNUAL REVIEW OF THAT POLICY.**

WHEREAS, the Texas Public Funds Investment Act, Chapter 2256, Government Code, requires the Board of Directors to adopt a written investment policy regarding investment of Mobility Authority funds and funds under its control, and to include a separate written investment strategy for each of the funds or group of funds under its control; and

WHEREAS, in compliance with the Texas Public Funds Investment Act the Board has previously adopted the required written investment policy, now codified as Article 1, Chapter 2 of the Mobility Authority Policy Code (the "Investment Policy"); and

WHEREAS, both the Texas Public Funds Investment Act and Section 201.017 of the Policy Code require an annual review and approval of the Investment Policy by the Board; and

WHEREAS, in connection with and prior to its action on this resolution, the Board has reviewed the Investment Policy; and

WHEREAS, in accordance with recommendations from the Chief Financial Officer and the Controller, the Executive Director recommends to the Board that it approve revisions to Section 201.009 of the Policy Code, as proposed in Exhibit 1 to this Resolution.

NOW THEREFORE, BE IT RESOLVED that Board hereby approves the Investment Policy codified as Article 1, Chapter 2 of the Mobility Authority Policy Code, including the revisions to Section 201.009 (Investment Strategies) as set forth in Exhibit 1 to this Resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 29th day of January, 2014.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 14-___
Date Passed: 01/29/14

Exhibit 1 to Resolution 14-_____

Proposed Revision to Section 201.009 of the Policy Code:

201.009 Investment Strategies

(a) The authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

(b) Market Yield Benchmark: The authority's investment strategy is conservative. Given this strategy, the basis used by the chief financial officer to determine whether minimum market yields are being achieved shall be the six month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.

(c) Maximum Maturities: To the extent possible, the authority will attempt to match its individual investments with anticipated ~~project~~ cash flow requirements. ~~Unless matched to a specific cash flow, the authority will not directly invest operating or general funds of each fund. However, in securities maturing more than 16 months from the date of purchase no instance shall the maximum stated maturity of an individual investment exceed five years,~~ unless approved by the board. ~~Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project.~~

~~Reserve funds may be invested in securities exceeding 12 months if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.~~