



Recommendation for Action

File #: 21-3060, **Agenda Item #:** 8.

10/14/2021

Posting Language

Approve a resolution adopting the City of Austin Fiscal Year 2021-2022 Investment Policy.

Lead Department

Financial Services Department.

Fiscal Note

This item has no anticipated fiscal impact.

Prior Council Action:

The City of Austin's Investment Policy was last approved by City Council on October 1, 2020.

For More Information:

Belinda Weaver, Treasurer (512) 974-7885.

Council Committee, Boards and Commission Action:

Presented to the Audit and Finance Committee on September 22, 2021.

Additional Backup Information:

The Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code, is the state law that governs the investment of public funds. In Section 2256(e), the PFIA requires governmental bodies to adopt an investment policy on an annual basis to serve as the guideline for the investment of public funds. The PFIA provides the legal parameters for the City of Austin's investments, which are further narrowed by adoption of specific investment policies by the Austin City Council.

There are three substantive recommended changes to the City of Austin's Investment Policy for Fiscal Year 2021-2022. All significant revisions are outlined below. The proposed changes to the City's Investment Policy were approved by the City of Austin Investment Committee on August 25, 2021 and presented to the City Council's Audit and Finance Committee.

The first two changes, are on page three and would provide the City more investment opportunities for Operating Funds. The first change is to extend the weighted average maturity of the Operating Fund portfolio from 365 days to two years. The second change is to extend the stated final maturity date of the security purchases in the Operating portfolio from three years to five years.

The third change on page 16 expands on Certification requirements and was a suggestion provided by the Government Treasurer's Organization of Texas during a review of the Investment Policy.

All other Investment Policy changes are minor clarifications or refinements as part of the City's annual update.

Strategic Outcome(s):

Government that Works for All.