Approval of DART Board Policy II.04, Investment Policy & Approval of DART’s FY 2020 Investment Strategy

Budget & Finance Committee
September 24, 2019

Dwight D. Burns
Treasurer
Texas Public Funds Investment Act (PFIA)

• The PFIA requires the DART Board to review and approve by resolution an investment policy and strategy on an annual basis.
• Investment policy provides guiding principles.
• Investment strategy describes portfolios to meet fund objectives.
• Only minor changes to the PFIA during the recent Legislative session; therefore, no major revisions to the policy/strategy are necessary.
Investment Policy

Investment Policy guiding principles:

1. Delegation of Authority
2. Standard of care
3. Ethics
4. Authorized investments
5. Internal controls
6. Reporting requirements
Investment Strategy

Investment strategy objectives for all DART funds are ranked in order of importance, below:

1. Suitability of the investment to requirements of fund;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if liquidation required;
5. Diversification of the investment portfolio; and
6. Yield.
Investment Policy and Investment Strategy, FY 2020

Investment Policy

- Minor revisions to bring policy into conformance with state law.
- Maximum term for commercial paper extended from 270 days to 365 days.

Investment Strategy

- Per Board Resolution No. 190053, the Capital Reserve Fund has been renamed the Mobility Assistance and Innovation Fund.
Recommendation:

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Questions?