

**Metropolitan Transportation Commission
Administration Committee**

December 11, 2024

Agenda Item 2b-24-1452

MTC Resolution No. 4563, Revised – Reauthorization of MTC Investment Policy

Subject:

Staff requests that the Committee authorize the referral of MTC Resolution No. 4563, Revised to the Commission for the annual reauthorization of the MTC Statement of Investment Policy.

Background:

The Statement of Investment Policy (“Policy”) governs the investment of funds for MTC and all entities managed under MTC. The Policy establishes rules and procedures for the administration of all funds, including permitted investments, fund and liquidity levels, and safekeeping.

The Policy also includes requirements for audit of internal controls, investment reports on a quarterly basis at minimum, and the requirement for annual review and approval by the Commission.

Staff recommends the following changes to the Policy for this year’s reauthorization:

- Updated the scope of the Policy to address investments of bond proceeds, post employment benefits plans, and other exempted funds.
- Added language to the Policy to address delegation of authority and address ethics and conflicts of interest.
- Updated the permitted investments section of the Policy to reflect the current California Government Code more accurately, updated limits on certain types of investments, and allow additional types of investments.
- Updated the Policy to add additional types of prohibited investments.
- Revised the Policy’s requirements for fund and liquidity levels and reserve funds.
- Revised the Policy’s requirements for authorized brokerage firms.
- Simplified the Policy’s criteria for outside investment managers.
- Improved the layout and updated language to make it more precise.

Issues:

None identified.

Recommendations:

Refer MTC Resolution No. 4563, Revised to the Commission for reauthorization.

Attachments:

- MTC Resolution No. 4563, Revised, Statement of Investment Policy

A handwritten signature in black ink that reads "Andrew B. Fremier". The signature is written in a cursive style with a large initial "A".

Andrew B. Fremier