

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: **Policy Instruction 212.0 – Investment Policy**

Purpose	Information:	Guidance:	Decision: X
Recommendation	Adopt Policy Instruction 212.0 and pass the following resolution: <ul style="list-style-type: none"> • Resolution 2011-09 “<i>Adoption of District Investment Policy and Delegation of Investment Authority to District Treasurer.</i>” 		
Last Action	At the October 28, 2010 regular meeting of the Board of Directors the Board adopted Policy Instruction 212.0 and passed Resolution 2010-10, “ <i>Appointment of District Treasurer</i> ” and Resolution 2010-11, “ <i>Adoption of District Investment Policy and Delegation of Investment Authority to District Treasurer.</i> ”		
Discussion	<p>The delegation of investment authority to the District Treasurer is for a period not to exceed one year, so it must be performed on an annual basis. The Investment Policy states that the policy shall be reviewed and adopted on an annual basis to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. The two requirements have been combined in the one resolution.</p> <p>Investment Policy Review – Staff’s view is that the investment policy is still appropriate for the District. Due to the very low return rates available on the allowable investments, it was not worthwhile to put forth a great deal of time or effort in diversifying the District’s investments over the past year. The District holds three \$250,000 certificates of deposit that have maturities between November 2011 and July 2013. The yield to maturity on them ranges from 0.75% to 0.80%. The return on LAIF for the months of July, August and September has been below 0.5%, so the District has increased its yield. Cash flow requirements for the building have been carefully considered and liquidity has not been an issue. The foremost objective of the Investment Policy is preservation of principal, and that has been accomplished.</p> <p>A change to the policy has been made to correct the section of the California Governmental Code that is applicable to the District’s investments in certificates of deposit.</p>		
Fiscal Impact	No substantive changes to the investment policy have been proposed and no changes in investment practices are anticipated.		
Communication Strategy	The adoption of the Investment Policy each year and the delegation of investment authority for a period not to exceed one year has a purpose of bringing this issue in front of the board on an annual		

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basis, which allows for greater transparency in fiscal policy. Although not directly communicated to the District's constituents, addressing the issue in a public meeting is a form of open communication.

The Policy Instruction requires quarterly reporting on investment activity.

Attachments

Policy Instruction 212.0

Resolution 2011-09 – “Adoption of District Investment Policy and Delegation of Investment Authority to District Treasurer”