

Pinellas County Board of County Commissioners Investment Policy
Summary of Update Recommendations
August 12, 2021

- Various changes to terminology that does not change the requirements of the policy.
- **Section 8.0(C): Authorized Investments-United States Federal Agencies** – Remove Farmers Home Administration (FmHA), Federal Financing Bank (FFB), Federal Housing Administration (FHA) as authorized securities because these are rarely, if ever, traded.
- **Section 8.0(D): Authorized Investments-United States Government Sponsored Enterprises** – Remove Student Loan Marketing Association (SLM) as this is no longer a GSE.
- **Section 8.0 (G): Authorized Investments-Commercial Paper** – Add the statement “at the time of purchase” to the rating requirements. In the event there is a downgrade to the security we would not be forced to sell.
- **Section 8.0(H): Authorized Investments-Asset-Backed Securities** – Specify the required rating of securities shorter than 14 months, in place of the language “the two highest category ratings”.
- **Section 8.1: Summary of Key Limitations on Authorized Investments-Direct Obligations of the United States Treasury** – Changed the portfolio maximum from 75% to 100% because this is the safest investment available.
- **Section 8.1: Summary of Key Limitations on Authorized Investments-United States Federal Agencies and United States Government-Sponsored Enterprises** – Changed the issuer limitation from 30% to 50% so we are not limited in the future if/when we begin to purchase more of these investments. This is a reasonable limitation and does not expose us to any additional risk.
- **Section 8.3: Bid Requirements** – Updated the bid requirements section to allow purchasing in the new issue market. In discussion with Public Trust although the security is not rated at the time of issue, when dealing with government debt, it is the issuer that is rated and the security will include the statement “anticipated rating”. New issues typically trade 5-7 basis points over the existing issues.
- **Section 14.0: Internal Controls** – In the list of Investment Committee members, added “or designee” to the Director of Office of Management and Budget as the Director has not been on the committee in multiple years.
- **Section 15.1: Market Yield (Benchmark)** – Update the benchmark language to state that an “appropriate benchmark, such as the ICE/BAML 0-3 Index or the 2-year Treasury Note” rather than specifying what benchmark must be used. This would allow the benchmark to be changed, if necessary, without requiring the policy be updated.