

AGENDA	
Section	New Business
Item No.	VIF 4



Meeting Date
August 9, 2016

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Approval of Advertisement for an Ordinance Amending Ordinance 02-03, List of Permitted Investments
DEPT/OFFICE:	County Finance Department

Requested Action:

It is requested that the Board of County Commissioners review and approve advertisement for public hearing for proposed changes to Ordinance 02-03 adding Supranationals and Asset-Backed Securities to the list of permitted investments for the County Investment program.

Summary Explanation & Background:

The County's Investment Committee has met and specifically discussed ways of improving the County's Investments. After several meetings, and upon the recommendation of the County's Investment Advisor (PFM), the Investment Committee has approved expanding the list of Permitted Investments to include Supranationals and Asset-Backed Securities (ABS). Florida Statute 218.415(16)(h) requires the Board to amend County Ordinance 02-03 and the County's Investment Policy, BCC 49 to provide authorization for these additional investment options.

Debt instruments issued by Federal Agency's (FHLB, FNMA, FFCB and FHLMC) have been reduced over the last several years. This has resulted in fewer available quality investment securities for the County to invest surplus funds. In order to deal with this reduction of investment options, PFM recommends including Supranationals and Asset Backed Securities as permitted investments in the County's Investment Policy..

Supranationals are U.S. dollar denominated debt obligations of multilateral organizations of governments where U.S. is a shareholder and voting member i.e. World Bank, International Finance Corporation. The recommended policy limits the amount allowed to be invested to 5% per issuer with a minimum credit rating of A-1/P1, AAA/Aaa or equivalent with a maximum allowed to be invested to only 15% of the portfolio. These are international financial institutions that are established by agreements among member nations who contribute capital and participate in the management of the institution. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction and renewable energy around the globe.

Asset-Backed Securities (ABS) are fixed income securities issued by companies backed by notes or receivables against assets other than real estate i.e. auto loans/leases, equipment loans/leases and credit card receivables. The County's Investment Policy already permits investing in Mortgage Backed Securities (MBS). The recommended policy limits the amount allowed to be invested to 5% per issuer with a minimum credit rating of A-1/P1, AAA/Aaa or equivalent with a maximum allowed to be invested to only 25% of the portfolio.

The proposed changes to Board Policy BCC-49 Investments will be brought before the Board by agenda item on the same date for which the public hearing is scheduled for the ordinance amendment. The changes should be made at the same time.

Fiscal Impact: There is no fiscal impact associated with this action other than the cost of advertisement.

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager		Deputy County Manager				Department Director / Extension Steve Burdett County Finance, 637-2002 		
Stockton Whitten		Assistant County Manager						

BCC-149 (Rev. 1-25-13) / Electronic Form

Clerk to the Board instruction:

Exhibits Attached:
 Ordinance



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August 10, 2015

MEMORANDUM

To: Steve Burdett, Finance Director

Re: Item VI.F.4., Approval for Advertisement of Ordinance Amending Ordinance 02-03, List of Permitted Investments

The Board of County Commissioners, in regular session on August 9, 2016, reviewed and approved advertisement for public hearing for proposed changes to Ordinance 02-03, adding Supranationals and Asset-Backed Securities to the list of permitted investments for the County Investment program.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

fa Donna Scott
Tammy Etheridge, Deputy Clerk
/cm

cc: Financial Accounting Supervisor
Budget

ORDINANCE NO. 16- _____

AN ORDINANCE OF BREVARD COUNTY, FLORIDA; AMENDING ORDINANCE 02-03 WHICH PROVIDES A LIST OF PERMITTED INVESTMENTS, PURSUANT TO THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES; PROVIDING FOR INCLUSION OF SUPRANATIONALS AND ASSET-BACKED SECURITIES IN THE LIST OF PERMITTED INVESTMENTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; PROVIDING FOR INCLUSION IN CODE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Brevard County, Florida is authorized to adopt a list of permitted investments by ordinance pursuant to Section 218.415(16)(h), Florida Statutes.

WHEREAS, the Board of County Commissioners previously established an Investment Committee comprised of volunteers with financial or investment expertise;

WHEREAS, the County has retained a financial advisor (currently PFM Asset Management LLC) for the County who provides guidance to the Investment Committee and the Board of County Commissioners;

WHEREAS, the Investment Committee, with the concurrence of the financial advisor, recommends that the County authorize county funds to be invested in Supranationals and Asset-Backed Securities and added to the list of permitted investments.

NOW, THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Brevard County, Florida:

SECTION 1. PERMITTED INVESTMENTS. The Board of County Commissioners hereby adopts the list of permitted investments as follows:

- A. The Florida Local Government Surplus Funds Trust Fund ("SBA")
- B. United States Government Securities
- C. United States Government Agencies
- D. Federal Instrumentalities
- E. Interest Bearing Time Deposit or Saving Accounts
- F. Repurchase Agreements
- G. Commercial Paper
- H. Corporate Notes
- I. Bankers' Acceptances
- J. State and/or Local Government Taxable and/or Tax-Exempt Debt
- K. Registered Investment Companies (Money Market Mutual Funds)
- L. Intergovernmental Investment Pool

- M. Inter-Departmental Loans
- N. Supranationals
- O. Asset-Backed Securities

SECTION 2. SEVERABILITY. It is hereby declared to be the intent of the Board of County Commissioners of Brevard County that if any section, subsection, clause, phrase or provision of the ordinance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not be construed as to render invalid or unconstitutional the remaining provisions of the ordinance.

SECTION 3. REPEAL. All ordinances or parts of ordinances, in conflict with this ordinance are to the extent of such conflict hereby repealed.

SECTION 4. INCLUSION IN CODE. It is the intention of the Board of County Commissioners of Brevard County, Florida, and it is hereby provided that the provision of this ordinance shall become and be made a part of the Code of Ordinances of Brevard County, Florida by the Municipal Code Corporation, that the sections of the ordinance may be renumbered or re-lettered to accomplish such intention; and that the word "ordinance" may be changed to "section", "article" or other appropriate designation.

SECTION 5. EFFECTIVE DATE. A certified copy of this ordinance shall be filed with the Department of State by the Clerk within ten (10) days after enactment by the Board, and shall take effect upon receipt of official acknowledgment of filing as provided in Section 125.66(2), Florida Statutes.

DULY ADOPTED this 23rd day of August, 2016.

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA**

By: Scott Ellis, Clerk