

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION AUTHORIZING THE REQUIRED
ANNUAL ADOPTION OF BPC POLICY NO. 115,
GUIDELINES FOR PRUDENT INVESTMENTS
INCLUDING UPDATES RELATED TO CERTAIN
AUTHORIZED AND PROHIBITED INVESTMENTS**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, Board of Port Commissioners (BPC) Policy No. 115, Guidelines for Prudent Investments, requires that this policy, which contains the District's investment policy, be submitted annually to the Board of Port Commissioners for review and adoption by resolution; and

WHEREAS, this policy is also updated for relevant legislative changes to California Government Code Section 53600 et seq. which details numerous requirements on how and where public funds may be invested; and

WHEREAS, the California Debt and Investment Advisory Commission (CDIAC), a State-sponsored commission which provides information and policy research for public fund investments to local public agencies, published a statutory update effective January 1, 2021 reflecting changes in the law with respect to public funds investments; and

WHEREAS, after review and analysis of the CDIAC update, staff recommends updating BPC Policy No. 115 to reflect changes to certain authorized and prohibited investments in Government Code Section 53600 et seq.; and

WHEREAS, these changes are summarized as follows:

- Section 8.6 Medium Term Notes – Increasing the percentage of portfolio market value of medium-term notes held and issued by any one corporation from 5% to 10%.
- Section 9.0 Prohibited Investments – Modified to allow for investments in a security that could result in zero or negative interest accrual if issued or backed by the U.S. Government and held to maturity during a period of negative market value rates; and

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WHEREAS, the District has no recent investment history with these particular circumstances, however, to maintain consistency with recent State Government Code legislative changes, staff is recommending that the Board authorizes the policy updates and the annually required adoption; and

WHEREAS, for reference purposes, a listing of the allowable investment instruments per State Government Code, effective as of January 1, 2021, and the District's BPC Policy No. 115, Guidelines for Prudent Investments, are included as Attachments A and B, respectively, to the corresponding Agenda item on file with the Office of the District Clerk; and

WHEREAS, staff recommends the required annual adoption of BPC Policy No. 115, Guidelines for Prudent Investments with updates to reflect changes to certain authorized and prohibited investments in the Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District hereby adopts BPC Policy No. 115, Guidelines for Prudent Investments with updates to reflect changes to certain authorized and prohibited investments in the Policy, a copy of which shall be on file with the Office of the District Clerk.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 14th day of September 2021, by the following vote: