

VPRA Decision Brief

Adopt Revised Investment Policy

January 23, 2024

Issue: The Virginia Passenger Rail Authority (“VPRA”) adopted an initial investment policy to allow VPRA staff to invest on-hand balances to maximize the available funds for VPRA. The guiding principles embedded within the investment policy were principal maintenance, liquidity, and return, in priority order. VPRA revised the initial investment policy on July 21, 2022. VPRA now desires to amend the investment policy again to remove the environmental, social, and governance factors (“ESG”) requirement, to revise the allowable investments, and to clarify the requirements under the Competitive Selection of Investment Instruments section.

Facts: On September 28, 2021, the Board adopted the initial investment policy. The first set of revisions to the policy was adopted by the Board on July 21, 2022. VPRA staff seeks to revise the amended policy for various reasons. The revisions include to remove the ESG score requirements for investments in Corporate Notes and Commercial Paper, remove Export Development Canada Bonds to comply with Va. Code § 2.2-4501, allow investments in AAA-rated Asset Backed Securities in accordance with Va. Code § 2.2-4511, increase the issuer limit for Corporate Notes from 3% to 5%, remove the two year average maturity requirement, and to update the Competitive Selection of Investment Instruments section to remove the requirement for solicitation and evaluation of at least three bids/offers for the investment manager. All of the proposed amendments are in compliance with the Code of Virginia, Chapter 45 - Investment of Public Funds Act. The VPRA Finance and Audit Committee met on January 12, 2024, to review the VPRA recommended changes to the investment policy. By unanimous vote, the committee recommended the changes be brought to the full Board for consideration.

Recommendation: Adopt the revised investment policy as presented.

Action Required by VPRA: Adopt the revised investment policy.

Options: Approve, Deny, or Defer.