

ORDINANCE NO. 013-18

AN ORDINANCE AUTHORIZING  
CHANGES TO THE CHICAGO  
TRANSIT AUTHORITY'S INVESTMENT  
POLICY

WHEREAS, The Illinois Public Funds Investment Act (30 ILCS 235) sets forth those investments in which public agencies, such as the Chicago Transit Authority ("Authority"), may invest public funds; and

WHEREAS, The Public Funds Investment Act was amended by Public Act 90-688, effective July 31, 1998, to add a new Section 2.5, which requires that the governing body of public agencies, including the Authority, adopt and implement a written investment policy governing the investment of public funds by the agency by January 1, 2000; and

WHEREAS, Section 2.5 of the Public Funds Investment Act (30 ILCS 235/2.5) provides that the Investment Policy "shall address safety of principal, liquidity of funds and return on investment and shall require that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due;" and

WHEREAS, Section 2.5 of the Public Funds Investment Act further provides that the Investment Policy is to include or address the other matters listed therein; and

WHEREAS, Pursuant to Ordinance No. 98-108, dated July 21, 1999, the Authority adopted a "Chicago Transit Authority Investment Policy" to satisfy all requirements of Section 2.5 of the Public Funds Investment Act; and

WHEREAS, Ordinance No. 008-33, dated March 12, 2008, and Ordinance No. 010-69, dated June 2, 2010, revised the Investment Policy; and

WHEREAS, Staff seeks authorization to further amend the Investment Policy to increase the investment term for certain investments, provide for increased issuer diversification, and add an additional category of investments to the list of authorized investments; and

WHEREAS, The proposed changes will allow the Authority to continue generating appropriate investment returns consistent with investment objectives of safety, liquidity and risk adjusted returns; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD  
OF THE CHICAGO TRANSIT AUTHORITY:

ORDINANCE NO. 013-18  
(Continued) -2

SECTION 1. The Chicago Transit Board hereby amends Section 2(4) of the Chicago Transit Authority Investment Policy to increase the permissible investment term of short term obligations from one hundred eighty (180) days to two hundred seventy (270) days.

SECTION 2. The Chicago Transit Board amends Section 2(10) of the Chicago Transit Authority Investment Policy to include the description of interest bearing bonds to the list of Authorized Investments.

SECTION 3. The Chicago Transit Board amends Section 5A of the Chicago Transit Authority Investment Policy to increase the permissible investment term of short term obligations from one hundred eighty (180) days to two hundred seventy (270) days.

SECTION 4. The Chicago Transit Board amends Section 5B of the Chicago Transit Authority Investment Policy to reduce the issuer diversification for Commercial Paper from fifty percent (50%) to twenty-five percent (25%).

SECTION 5. The Chicago Transit Authority Investment Policy shall govern the investment of public funds by the Authority but shall not apply to the Authority's Deferred Compensation Plan (§457 Plan), the Authority's 401 K Plan, or the Employee Retirement Fund.

SECTION 6. The provisions of this Ordinance shall take precedence over any inconsistent provisions of any previously passed Authority ordinances, which will otherwise remain in full force and effect.

SECTION 7. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

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Chairman

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Assistant Secretary

February 13, 2013

February 13, 2013

EXHIBIT A

CTA Investment Policy