

City of Deer Park
Annual Investment Policy Review – 2019
Record of Changes

To comply with the Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the “Act”), the governing body of an investing entity shall (1) review its investment policy and investment strategies not less than annually, and (2) adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies. The written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

The investment policy for the City of Deer Park was last reviewed and updated on September 25, 2018. During the last year, the policy received re-certification from the Government Treasurer’s Organization of Texas (“GTOT”), and that certification is valid for two years to July 31, 2021.

Following the State’s most recent legislative session in 2019, one minor change is being incorporated into the policy based on the new Sec. 2256.0208 being added to the Act per HB 2706. This new section includes “pledged revenue” and that additional reference has been included in the policy. This change was discussed with the City’s Finance Committee at a meeting on September 17, 2019. At that meeting, the Committee also reviewed and discussed the list of authorized broker/dealers. At the recommendation of the City’s Investment Advisor, Valley View Consulting, L.L.C., the City proposes adding another broker/dealer to the list to ensure a competitive environment if and when the City requests bids for security investments. The Finance Committee is in agreement with the City’s recommendation to add Multi-Bank Securities, Inc. to the list of authorized broker/dealers. Specifically, Carol Mackoff of Multi-Bank Securities, Inc. is responsive to bid requests and knows the Act through her long association with and participation in the Government Treasurer’s Organization of Texas.

Below is a summary of the minor changes to the policy being presented for annual review on September 17, 2019:

2-274 Authorized and Suitable Investments-Bond Proceeds – Based on the new Sec. 2256.0208 being added to the Act, the policy will now reference “Bond proceeds and pledged revenue may be invested...” rather than simply “Bond proceeds may be invested....” It is not necessary to change the section heading.

2-280 Qualified Financial Institutions and Broker/Dealers – Reflecting the City’s recommendation to add another firm to the list of authorized broker/dealers, the revised list, if approved, would be as follows:

Duncan-Williams, Inc.
FTN Financial
Hilltop Securities
Multi-Bank Securities, Inc.
Wells Fargo Securities, LLC

As a matter of housekeeping, following voter approval on May 4, 2019 of seven charter amendments, specifically Proposition C, the language related to passage of the ordinance was updated by removing the requirement of three readings of ordinances except in cases when additional readings are required by another provision of the City Charter.