



Legislation Text

File #: DIS 19-092, **Version:** 1

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Discussion of issues relating to the City's Investment Program, including the annual review of the City's Investment Policy.

Summary: In compliance with the Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the "Act"), the City has adopted an Investment Policy, which is Chapter 2, Administration, Article VII (Finance), Division 2 (Investment Policy), Section 2-274 Reporting, of the Code of Ordinances of the City of Deer Park. The Act also requires that the City Council, not less than annually, adopt a written instrument stating that it has reviewed the Investment Policy and investment strategies. The written instrument must record any changes made to the policy or strategies.

The City's Investment Policy was last reviewed and updated on September 25, 2018. 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. Further, Multi-Bank Securities, Inc. is being added to the list of broker/dealers authorized to engage in investment transactions with the City (see below).

The attached "Investment Policy Review" provides a detailed description of the changes being incorporated into the policy this year. These changes were discussed with the City's Finance Committee prior to this workshop.

Authorized Broker/Dealers:

The Investment Policy includes the list of broker/dealers authorized to engage in investment transactions with the City. The current list includes the following: Duncan-Williams, Inc., FTN Financial, Hilltop Securities, and Wells Fargo Securities, LLC. 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 met on September 17, 2019 to review the proposed changes to the policy and to specifically review the proposed list of authorized broker/dealers. 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.

Fiscal/Budgetary Impact:

N/A.

Discussion only. Action on the annual review of the investment policy will be taken during the regular meeting.