



Legislation Text

File #: R2016-074, **Version:** 1

Consider approving Resolution No. 2016-074 adopting the City's amended Investment Policy; and take appropriate action.

BACKGROUND:

Section 2256.005, Texas Government Code and the City's Investment Policy requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and record any changes made to either the investment policies or investment strategies.

The City's existing policy has provided excellent guidance to staff and has been used as a model policy for other government entities. Additionally, the Investment Policy has been recognized with a Certification of Excellence Award by the Municipal Treasurers' Association of the United States and Canada. The City also amended its investment policy in 2015 to meet additional criteria for the Government Treasurers' Organization of Texas (GTOT) Investment Policy Certification Program and received certification under the GTOT program.

DISCUSSION:

The City of Farmers Branch manages and invests its cash consistent with four objectives. The objectives, listed in priority order, are: Safety, Liquidity, Yield, and Public Trust. The safety of principal invested always remains the primary objective. All investments are designed and managed in a manner responsive to the public trust and in accordance with state and local law.

The City's investment portfolio consists primarily of United States Agency, Municipal Bonds, Certificates of Deposit, and Repurchase Agreements with an average portfolio maturity of fifteen months and a maximum investment maturity of five years for operating and commingled pools containing operating funds.

City Administration is amending the City's investment policy to reflect changes in position titles of members serving on the Investment Committee and, per House Bill 870, reduces the amount of Public Funds Investment Act (Chapter 2256.008, Texas Government Code) training hours for city and school district finance and investment officers from ten hours every two years to eight hours every two years. City and school district finance and investment officers must still initially receive ten hours of training within 12 months after taking office or assuming investment duties. No other changes are recommended.

This resolution supports the City's guiding principle for financial stewardship.

RECOMMENDATION:

City Administration recommends approving Resolution No. 2016-074 adopting the City's amended investment policy.

POSSIBLE COUNCIL ACTION:

1. I move to approve adopting Resolution No. 2016-074 amending the City's investment policy.
2. I move to approve adopting Resolution No. 2016-074 with modifications.

3. I move to table the issue for further study or take no action.

ATTACHMENTS:

1. Resolution No. 2016-074
2. Exhibit A - City of Farmers Branch Investment Policy