



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 20-0314

Agenda Date: 8/11/2020

Version: 1

Status: ATS Review

In Control: Finance

File Type: Agenda Item

Title

Consider and take action on a resolution approving the Investment Policy, Investment Strategies, List of Authorized Broker/Dealers and Safekeeping/Custodial Agents for the City of League City (Director of Finance)

Council postponed 7-1-0 with 1 absent on July 28, 2020.

..Background:

On July 27, 2020, the Finance Committee members reviewed the recommended investment policy and agreed they were not comfortable with adding commercial paper to the list of authorized investments, given the pandemic and volatility of the market. In addition, there was some hesitancy to lift the maturity limitation from a 3-year limit to no maturity limitation, as recommended. Based on these concerns, Council postponed voting on the policy to allow staff to revise the policy to address Finance Committee's concerns.

The original recommended policy included updates to the Investment Policy to bring the authorized investments and investing parameters more in line with the PFIA to allow Commercial Paper as a permissible investment per the HB 2706 passed in 2019. Other notable changes included loosening restrictions on the maximum maturity of any one security to allow for greater return on investments without sacrificing the priority of safety and liquidity for City funds.

Based on comments made by the Finance Committee and Council, the policy has been amended to remove commercial paper from the list of authorized investments.

Approval of this item is for the Investment Policy, Investment Strategies, List of Authorized Broker/Dealers and Safekeeping/Custodial Agents for the City of League City.

Pursuant to the Public Funds Investment Act (PFIA), Texas Government Code, 2256, the governing body of an investing entity covered by the act is required to review and approve the entity's investment policies annually. The City's policy was last approved on June 25, 2019.

In August 2019, the City received certification from the Government Treasurers' Organization of Texas (GTOT) that the policy meets the requirements of the PFIA and the standards for prudent public investing established by GTOT. This certification is valid through August 2021.

Attachments

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Investment Policy
4. Investment Policy - Redlined
5. GTOT Award Letter

FUNDING

{ X } NOT APPLICABLE

{ } Funds are available from Account # _____