



Legislation Text

File #: 16-0825, **Version:** 1

Consider and take action on a resolution approving the City of League City's Investment Policy and the Investment Policy of the 4B Industrial Development Corporation (Assistant City Manager)

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 February 25, 2015.

The major recommended changes to the policy this year are:

- The list of authorized broker / dealers has been updated to reflect six (6) brokers that are being recommended based upon a Request for Qualifications (RFQ) process. Thirteen (13) firms submitted responses to an RFQ that was issued in December 2015. The investment officers (Assistant City Manager, Assistant Finance Director and Accounting Manager) evaluated the responses and are recommending the following firms to serve as authorized brokers for the City and the 4B Corporation: Coastal Securities, Duncan Williams, SAMCO Capital, Wells Fargo, Hilltop Securities and Ladenburg Thalmann. Six firms will provide sufficient opportunity to receive competitive pricing on securities purchases.

- The PFIA requires investment officers to receive training. That requirement was revised by the legislature in 2015. The recommended policy adjusts that requirement from the current 10 hours to 8 hours every 2 years to reflect the change in state law.

- The remaining changes were cosmetic or made for consistency.

In 2015, 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 is a two-year certification.

The Finance Committee met on February 15, 2016 and reviewed and approved the policy changes. The Board of Directors of the 4B Industrial Development Corporation met on February 1, 2016 and reviewed and adopted the Corporation investment policy that mirrors the City's proposed policy.

Attachments

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Investment Policy City of League City
4. Exhibit B - Investment Policy City of League City 4B Industrial Development Corporation
5. GTOT Certificate