



AGENDA MEMO

05/18/21 Agenda

TO: Honorable Mayor and City Council

FROM: Thomas W. Tvardzik, Director of Finance

SUBJECT: Resolution adopting the City's Investment Policy

BACKGROUND:

Chapter 2256 of the Texas Government Code, known as The Texas Public Funds Investment Act (the "PFIA") requires the governing body of the City to "review its investment policy and investment strategies not less than annually" and to adopt the policy by rule, order, ordinance, or resolution. By request, the Finance Advisory Committee reviews the proposed policy each year before making a recommendation to the Council. The City Council last approved and adopted the University Park Investment Policy via resolution on August 4, 2020.

The investment policy's key provisions are as follows:

- **Identification of the policy's four objectives:** safety, liquidity, yield, and prudence. Safety is always the highest priority objective. (Section 2.)
- **Description of eligible investments:** U.S. Treasury and agency obligations; State of Texas and related obligations; certain municipal bonds; repurchase agreements; CD's; money market mutual funds; and local government investment pools. (Section 4.1.)
- **Approval of investment vendors:** the City may only do business with broker-dealers, banks, and others who have been reviewed and approved annually by the Finance Advisory Committee. (Section 4.2.1.1.)
- **Diversification of portfolio:** Investment holdings must remain within certain maximum percentages of the total portfolio to limit exposure to potential losses. (Section 4.2.1.3.)
- **Designation of investment officers:** Only authorized, trained individuals may conduct investment transactions for the City. These individuals are designated within the resolution adopting the Investment Policy. The authorized individuals are generally the Director of Finance, the City Controller, and the City Manager, although others may be designated as necessary. At the time of this memo, the City Controller position remains vacant.

The Finance Advisory Committee met on April 14, 2021, to consider the proposed Investment Policy. There were no proposed or recommended changes to the policy. Acting on both the recommendations of staff and its own members, the Committee voted to:

- Recommend the Investment Policy (as presented) to the City Council for approval,
- Recommend the re-appointment of Robbie Corder and Tom Tvardzik as Authorized Investment Officers for FY22, and
- Recommend approval of the FY22 Investment Vendors list.

RECOMMENDATION:

City staff and the Finance Advisory Committee recommend approval of both the proposed Investment Policy and Investment Vendors list, as well as the appointment of the Authorized Investment Officers for FY22.

ATTACHMENTS:

- Resolution renewing and adopting Investment Policy
- City of University Park Investment Policy
- Approved Investment Vendors list