

MEMORANDUM

TO: Donna Barron, City Manager

THROUGH: Brenda Martin, Director of Finance

FROM: Clifford Howard, Fiscal Services Manager

DATE: August 27, 2018

SUBJECT: **Approval of Finance Policy 3.0 VI Investment Policy**

BACKGROUND

The Public Funds Investment Act (PFIA), also known as Texas Government Code 2256, was originally approved in 1987 and is usually amended every session by the legislature. The Act defines the standards and requirements by which local governments and other public agencies must comply before investing their funds. Components of the Act include criteria for investment policies, investment officers and training, authorized investments and standards of care. The City's Investment Policy also covers acceptable Collateral for Public Funds as outlined in Texas Government Code 2257. One requirement of PFIA is that the City's Investment Policy be approved annually by the governing body.

ANALYSIS

The State of Texas legislature meets once every two years on odd-numbered years. Since there has been no legislative session or special called meetings related to the Public Funds Investment Act during this past year and no additional recommendations at this time by the City's Investment Officers and Investment Committee, this Policy is being submitted with no changes from last year's policy.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the Investment Policy to comply with Texas Government Code 2256 and 2257.