



AGENDA MEMORANDUM
Corpus Christi B Corporation
Meeting of September 21, 2020

DATE: September 4, 2020

TO: President and Honorable Board Members,
Corpus Christi B Corporation

FROM: Judy Villalon, City Treasurer
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Corpus Christi B Corporation
Investment Policy and Investment Strategy

CAPTION:

Resolution amending and reaffirming the Corpus Christi B Corporation's Investment Policy and Investment Strategy for the Fiscal Year 2020-2021

SUMMARY:

The Public Funds Investment Act requires annual review by the governing body of its Investment Policy and adoption of a written instrument stating that it has reviewed the investment policy and investment strategies.

BACKGROUND AND FINDINGS:

Under Texas Government Code, Chapter 2256, Subchapter A. Authorized Investments for Governmental Entities, the State of Texas delineates the types of investments and the investment rules that must be followed by governmental entities. This chapter is often referred to as the "Public Funds Investment Act". In accordance with the Public Funds Investment Act, the governing body must approve the Corpus Christi B Corporation's Investment Policy and Investment Strategy annually.

Last year, the Corpus Christi B Corporation's Investment Policy and Investment Strategy was approved on June 17, 2019.

Style and formatting changes, along with amendments, are being made to the previous fiscal year's 2019-2020 Investment Policy and Investment Strategies document, with such changes and amendments delineated and described below:

- (a) Under VIII. Authorized Investments, a change has been made on item “2. Fully Federal Deposit Insurance Corporation (FDIC) insured or collateralized depository certificates of deposit of a depository institution that has its main office or a branch in Texas with a maximum maturity of one year.”

This item has been changed to increase maximum maturity from one year to two years.

- (b) Under VIII. Authorized Investments, a change has been made on item “7. General debt obligations of any U.S. State rated no less than A by a nationally recognized rating agency and with a maximum stated maturity of two years.”

The change is to include obligations of, “...any U.S. States, agencies, counties, cities, and other political subdivisions of any state rated no less than A...”

In addition, the item has been changed to increase the maximum stated maturity from two years to three years.

- (c) Under VIII. Authorized Investments, a change has been made to item “9. A1/P1 rated commercial paper with a maximum maturity of 180 days.”

The item has been changed to read, “A1/P1, or equivalent, rated commercial paper with a maximum maturity of 270 days subject to meeting one of the two stated conditions in Sec. 2256.013.”

- (d) Formatting changes include:

1. The removal of additional line spacing between subparts.
2. Replacing the Table of Contents page number “i.” with “1”
3. Page number updates on the Table of Contents

The City’s Investment Committee met on June 25, 2020 and approved the changes to the Investment Policy as presented. The Investment Committee is comprised of the City Manager, Chief Financial Officer, Director of Finance and Business Analysis, Assistant Director of Finance and Business Analysis, and the Director of Management and Budget.

Linda Patterson with Patterson & Associates, the City’s Investment Advisor, has also reviewed and approved the changes being proposed.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only):**

Account:

RECOMMENDATION:

The Investment Committee recommends approval of the resolution amending and reaffirming the Corpus Christi B Corporation's Investment Policy and Investment Strategy for Fiscal Year 2020-2021 as presented.

LIST OF SUPPORTING DOCUMENTS:

Corpus Christi B Corporation's Investment Policy and Investment Strategy 2020-2021
Corpus Christi B Corporation's Investment Policy and Investment Strategy 2020-2021
(Red Line Version)
Resolution