



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 26, 2022

DATE: July 26, 2022
TO: Peter Zaroni, City Manager
FROM: Heather Hurlbert, Director of Finance & Procurement
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City of Corpus Christi
Investment Policy and Investment Strategies

CAPTION:

Resolution amending and reaffirming the City of Corpus Christi's Investment Policy and Investment Strategies for the Fiscal Year 2022-2023

SUMMARY:

The Public Funds Investment Act requires an 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 City's investment policy annually.

Last year, City Council approved the City's Investment Policy and Investment Strategies on August 17, 2021.

Amendments are being made to the previous fiscal year's 2021-2022 Investment Policy and Investment Strategies document, with such amendments delineated and described below:

- (a) Under II. Scope, the acronym 'CAFR' has been changed to 'Annual Comprehensive Financial Report' in agreement with the name change by the Governmental Accounting Standards Board (GASB).

- (b) Under VI. Delegation of Authority and Responsibility, a change had been made under sections B. Investment Committee and C. Investment Officers. In these sections, 'Director of Finance & Procurement' and 'Assistant Director of Finance & Business Analysis' have been reduced in the document to read 'Director of Finance' and 'Assistant Director of Finance'.
- (c) Under VII. Authorized Financial Institutions and Brokers/Dealer, a change has been made to the third paragraph to reflect the Public Funds Investment Act. Financial Institutions, broker/dealers and money market mutual funds are no longer required to provide written certification of receipt and review of the City's Investment Policy.
- (d) Under VIII. Authorized Investments, a change has been made under section B. Competitive Bidding Requirement. The list has been updated to more closely reflect the PFIA requirement. In the last paragraph, 'At least three bids...' has been changed to 'Two or more bids...' with the exception listed. In the last sentence of the same section, 'Bids' has been changed to 'Offers'.
- (e) Under IX. Collateralization, a change has been made to "3. Letters of credit issued to the City by the Federal Home Loan Bank."

The item has been changed to read, '3. Irrevocable letters of credit issued to the City by a federal home loan bank.'
- (f) Under XII. Reporting, the title of 'Director of Financial Services' has been changed to 'Director of Finance'.

The City's Investment Committee met on May 26, 2022 and voted to approve the changes to the Investment Policy as presented. The Investment Committee is comprised of the City Manager, Chief Financial Officer, Director of Finance, Assistant Director of Finance and the Director of Management and Budget.

Linda Patterson with Meeder Public Funds, the City's Investment Advisor, has also reviewed and approved the Investment Policy and Investment Strategies.

ALTERNATIVES:

Make no changes to the Investment Policy

FISCAL IMPACT:

N/A

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only):**

Account:

RECOMMENDATION:

City staff recommends approval of the resolution amending and reaffirming the City of Corpus Christi's Investment Policy and Investment Strategy for Fiscal Year 2022-2023 as presented.

LIST OF SUPPORTING DOCUMENTS:

City of Corpus Christi Investment Policy and Investment Strategy 2022-2023

City of Corpus Christi Investment Policy and Investment Strategy 2022-2023 (Red Line Version)
Resolution