



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 19, 2025

DATE: August 19, 2025

TO: Peter Zaroni, City Manager

FROM: Sergio Villasana, Director of Finance & Procurement
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<p>City of Corpus Christi Investment Policy and Investment Strategies</p>

CAPTION:

Resolution amending and reaffirming the City of Corpus Christi's Investment Policy and Investment Strategies for the Fiscal Year 2025-2026.

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 27, 2024.

Amendments are being made to the previous fiscal year's 2024-2025 Investment Policy and Investment Strategies document, with such amendments delineated and described below:

- (a) Under II. Scope, a change is made in the list following the last paragraph to delete the existing description for item A and replace it with the applicable 'Escrow and Public Improvement District (PID) Accounts'.

- (b) Under VI. Delegation of Authority and Responsibility, subsection B is amended by (i) deleting the effective date because it was added last year as part of a change made to the committee's composition and is no longer applicable; and (ii) by adding the Director of Finance & Procurement.
- (c) Under VI. Delegation of Authority and Responsibility, a change is made under sub-section C. to remove the Director of Finance from the Investment Officers and add the Controller as an Investment Officer.
- (d) Under XVI. Investment Strategies, changes have been made under sub-section A. In the second paragraph and fourth paragraph, updating the maximum dollar-weighted average maturity (WAM) from 'one year' to 'two years'. The risk benchmark is also changed from the 'one-year Treasury Bill' to 'two-year Treasury Note'.
- (e) Under XVI. Investment Strategies, a change is made under sub-section B. to rename the Fund Strategy the 'Escrow and Public Improvement District (PID) Fund Strategy'. Additionally, the next sentence is updated to reflect participation of escrow and PID accounts in this strategy; reference to The Bank of New York Mellon Trust Company and its agreement have been removed. The last item listed in the section has also removed the word 'escrow'.
- (f) Under XVI. Investment Strategies, a change is made under sub-section C. to revise and correct the legal cites.
- (g) Under XVI. Investment Strategies, a change is made under sub-section C. The line 'and the escrow agreement' is removed from the final item listed in this sub-section.

The City's Investment Committee met on July 28, 2025, and approved the Investment Policy as presented, with changes. The Investment Committee is comprised of the City Manager, Assistant City Manager over Finance, Director of Management and Budget and two Council Members.

David McElwain with Meeder Public Funds, the City's Investment Advisor, has also reviewed 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:

The Investment Committee recommends approval of the resolution amending and reaffirming the City of Corpus Christi's Investment Policy and Investment Strategies for Fiscal Year 2025-2026 as presented.

LIST OF SUPPORTING DOCUMENTS:

City of Corpus Christi Investment Policy and Investment Strategies 2025-2026
City of Corpus Christi Investment Policy and Investment Strategies 2025-2026 (Red Line Version)
Resolution