



TO: City Council

FROM: Kelvin Bryant, Investment and Treasury Manager
Rodney D. Rhoades, Finance Director

DATE: October 18, 2011

RE: Summary of Changes to City Investment Policy

ITEM SUMMARY:

Finance staff has reviewed the amendments by House Bill 2226 to the Public Funds Investment Act of the Texas Government Code Chapter 2256. Staff recommends the following changes to the investment policy as shown in the red-lined policy page references:

- Includes requirement to monitor ratings changes in investments acquired with public funds and the liquidation of such investments, p.2
- Clarifies the two year training cycle start and end dates, p.5
- Establishes credit quality of obligations of states other than Texas, p.6
- Expands the allowance of certificates of deposits outside the state of Texas, p.6
- Clarifies that "cash" is eligible in combination with obligations to secure a repurchase agreement, p.6
- Clarifies and expands specific investment pool requirements, pp. 6-7
- Clarifies that obligations that are fully guaranteed or insured by the Federal Deposit of Insurance Corporation or have the explicit full faith and credit of the United States are allowed investments, p.7