



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: September 19, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Investment Policy Annual Review

SUMMARY:

This Ordinance approves an Investment Policy and Strategy for the City of San Antonio, Texas, in accordance with the requirements of the Texas Public Funds Investment Act (the “Act”), as amended, for City Council to annually review and approve the City’s Investment Policy; designates certain employees as Investment Officers for the City of San Antonio; and provides an effective date.

BACKGROUND INFORMATION:

The purpose of the City of San Antonio, Texas (“the City”) Investment Policy (the “Investment Policy”) is to provide a framework for the prudent and efficient investment of City funds, with the following objectives: satisfy cash flow requirements, preservation and safety of principal, liquidity and diversification, maximize yield, and proactive portfolio management. The Investment Policy designates the following employees as Investment Officers for the City of San Antonio: Chief Financial Officer, Deputy Chief Financial Officer, Assistant Director of Finance – Financial Services, and the following individuals from the Financial Management Division: Financial Management Administrator, Financial Manager, Banking Officer, and Investment Officers. The

Investment Policy also designates the composition of the City's Investment Committee. The Investment Committee is comprised of two representatives from the City Council; three representatives from the City Manager's Office including the Chief Financial Officer; Deputy Chief Financial Officer; Director of the Office of Management and Budget; Assistant Director of Finance – Financial Services; and the following individuals from the Financial Management Division: Financial Management Administrator, Financial Manager, Banking Officer, and Investment Officers.

The Texas Public Funds Investment Act (the "Act") requires an annual review of the Investment Policy by City Council. The Texas Legislature was not in session this year; therefore, there were no changes to the Act which would impact the Investment Policy. There were minor changes made throughout the City's Investment Policy to update various terms but there were no significant or material changes. The proposed changes to the City's Investment Policy were approved by the City's Investment Committee on September 9, 2024.

The City is required to annually review, revise, and adopt the list of qualified, eligible Broker/Dealers and banks with whom the City does business. On September 9, 2024, nineteen firms were approved by the Investment Committee to engage in investment transactions for the period beginning October 1, 2024 through September 30, 2025. Exhibit I shows the list of Broker/Dealers that were approved for FY 2025 by the City's Investment Committee.

ISSUE:

The annual review of the Investment Policy and the designation of certain City employees as Investment Officers for the City of San Antonio is consistent with the Act's requirements. In addition, the Investment Policy complies with all other requirements of the Act and provides the framework utilized by City staff to manage the Investment Portfolio, invest in a money market mutual fund, a local government investment pool, a repurchase agreement, and to execute investment transactions with Broker/Dealers.

ALTERNATIVES:

Taking no action to approve this Ordinance would cause the City to fail to comply with the requirements of the Act to annually review the Investment Policy and to review, revise, and adopt the list of qualified, eligible Broker/Dealers.

FISCAL IMPACT:

This Ordinance has no direct financial impact; however, approval of this Investment Policy provides the mechanism for the prudent, stable, and efficient administration of the City's investment activities.

RECOMMENDATION:

Staff recommends approval of this Ordinance approving the Investment Policy for the City of San Antonio, in accordance with the requirements of the Texas Public Funds Investment Act as amended.