

# Public Funds Investment Act

- **The Public Funds Investment Act (PFIA) is located in Chapter 2256 of the Texas Government Code**
- **Applies to cities, counties, school districts, water district or other political subdivisions in the State of Texas**
- **Sets the parameters that must be followed by entities that invest public funds**
- **Requires annual review and adoption of written investment policy and strategy**
- **Requires annual approval of broker/dealers authorized to conduct investment transactions**

# Investment Policy

- **Sets parameters and guidelines for strong stewardship and protection of public funds**
- **More restrictive than state law**
- **Annual review and approval by City Council on May 7, 2019**
- **City may only purchase investments by broker/dealers who have been approved by City Council**
- **Investment policy sets process and criteria for selection of brokers authorized for investments (up to 6)**
- **Solicit qualifications every two years**

# **Request for Qualifications**

- **In March 2019 the City issued RFQ 2019-17**
  - **Qualifications from broker/dealers to conduct investment transactions on the City's behalf**
  - **Subject to PFIA and City's Investment Policy**
- **Due April 11- City received 12 qualified responses**
- **Investment Officers served as evaluation panel**

# **Council Finance/Audit Committee**

- **May 16, 2019 meeting**
  - **Reviewed the broker/dealer selection process**
  - **Staff Recommendation**
    - **Six broker/dealers for approval for brokerage services**
    - **One broker for certificates of deposit**

## **Recommended Action**

- **Staff recommends approval of Resolution No. 19-18 authorizing broker/dealers for investment transactions**
  - **Ladenburg Thalmann**
  - **Hilltop Securities**
  - **Multibank Services**
  - **Wells Fargo**
  - **Rice Financial Services**
  - **FTN Financial**
- **Approval of Wells Fargo for Brokered CD purchases**

# CLARIFYING QUESTIONS FOR STAFF

# **COUNCIL MOTION & DISCUSSION**