



BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

Subject: Discussion and any necessary action on Resolution 23-19 to update Investment Policy

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

City commissioners began preparing for the Certificate of Obligation issuance during the FY 2022-2023 Budget process; determining to move current debt related to the Water/Wastewater Fund and free up capacity on the General Fund to support additional debt for needed capital improvement projects, most notably streets but also including park improvements and facilities for Public Works. Commissioners approved the sale of the COs on August 1, 2023. The sale and closing will be on August 29, 2023.

Many governmental entities in the State utilize government investment pools to manage cash and provide preservation of principal, daily liquidity, portfolio diversification, and competitive interest yield. These features make government investment pools a good option for investing construction funds. Hilltop Securities in partnership with JP Morgan Asset Management provides two governmental pools, TexSTAR and LOGIC, which are commonly used by all types of municipalities in the State of Texas. These two investment pools are conservatively managed and are in full compliance with the Texas Public Funds Investment Act and both are rated AAAM by Standard and Poor's and maintain a weighted average maturity of 60 days or less.

Based upon the review, the City's current investment policy does not allow for government investment pools as an authorized investment. To participate in government pools, the City will need an update to its investment policy, approved by the Commissioners, that includes government investment pools as an authorized investment. Below is the suggested addition to the "Authorized" portion of Exhibit A.

3. Local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation.

See attached Resolution.

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 23-19 updating investment policy to allow investment in a local government investment cooperative.