



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing brokers, dealers, and financial institutions to conduct investment transactions for the City of Fair Oaks Ranch, Texas.

DATE: November 16, 2023

DEPARTMENT: Finance

PRESENTED BY: Consent - Summer Fleming, Director of Finance

INTRODUCTION/BACKGROUND:

Pursuant to the Public Funds Investment Act, Section 2256.025, the governing body of an investment entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity. Furthermore, Section VIII of the City's Investment Policy states the Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment/depository services for the City.

The current list includes Frost Bank as the City's depository, Frost Bank Securities as the City's safekeeping institution, and two local government investment pools, TexPool and Texas CLASS.

Staff is recommends adding the following qualified brokers to the list and has reviewed all documentation required by the Investment Policy for such additions.

- Hilltop Securities
- Stifel Nicolaus
- UBS Financial Services Inc.

The list will be reviewed annually in conjunction with the Investment Policy. The review will consist of consideration of new firms that have submitted the required documentation and a review of the performance of previously approved firms. Any modifications to the list will be submitted to City Council for their review, approval, and adoption.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

While the City's investments and operating cash will still be managed internally, these firms offer other liquid investment solutions that can augment the City's investment portfolio by diversifying portfolio risk, increasing yields or both.

A Council-approved list will enable the Finance Department to seek investment alternatives during favorable market conditions, including, but not limited to, treasuries, agencies and certificates of deposit. The City's investments currently are in local government investment pools.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

None.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Agenda - I move to approve a resolution authorizing brokers, dealers, and financial institutions to conduct investment transactions for the City of Fair Oaks Ranch.