



**City Council Agenda
July 20, 2023**

Resolution

Action Item

Agenda Description:

Discuss, consider, and possible action to participate in the Texas Short Term Asset Reserve Program (TexSTAR).

Background Information:

Texas Short Term Asset Reserve Program (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 2002 through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investments of participant's public funds and funds under their control. TexSTAR's policy seeks to invest pooled assets in a manner that will provide for preservation and safety of principal and competitive investment return while meeting the daily liquidity needs of the participants by utilizing economies of scale and professional investment expertise. The TexSTAR Cash Reserve Fund is rated AAAM by S&P Global which is the highest principal stability fund rating assigned. J.P. Morgan Investment Management Inc. has served as investment adviser since inception.

Financial Information:

Participation in TexSTAR will result in increased interest income. For the month of May 2023, the City earned interest at a rate of 3.04%. The average rate of interest with TexSTAR for the same month was 5.0471%.

City Contact and Recommendations:

Marcie Freelen, Finance Director

Staff recommends approval of TexSTAR participation.

Attachments:

1. Blank TexSTAR Application (Resolution)

2. TexSTAR Information Statement
3. TexSTAR Investment Policy