



## FINANCE DEPARTMENT

**To:** Mayor and Town Council  
**From:** Betty Pamplin, Finance Director  
**Through:** Harlan Jefferson, Town Manager  
**Re:** Town Council Meeting – January 25, 2022

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**Agenda Item:**

Consider and act upon a resolution approving the Town of Prosper and Prosper Economic Development Corporation (PEDC) Investment Policy and Investment Strategy and approving the list of qualified brokers/dealers and financial institutions that are authorized to engage in investment transactions with the Town of Prosper and the PEDC. (BP)

**Description of Agenda Item:**

In March 2006, the Prosper Town Council adopted an Investment Policy for the Town and PEDC. This policy was last reviewed, revised, or adopted in January 2021. In November 2020 the Town engaged Valley View Consulting, L.L.C. to act in the capacity of Investment Advisors. Last year Valley View thoroughly reviewed and updated the policy to include recommended best practices of the Public Funds Investment Act (PFIA) and compliance with State law. The Town's investment program and investment strategy remain the same under the policy and there are no changes to the allowed investments, investment maturity limits or staff responsibilities for Town investments. The only changes to the policy in the current period are minor language changes such as the change from the state law language of "an entity" to specify Prosper. The attached redline version highlights all the proposed minor language changes to the policy. The Investment Policy received Certification from the Government Treasurer's Organization of Texas for a two-year period ending March 15, 2023.

Under Section 2256.05(e) of the Texas Public Funds Investments Act, contained in Chapter 2256 of the Texas Government Code, the governing body of the investing entity shall review its investment policy and investment strategies not less than annually and shall adopt by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

As noted above, the Investment Policy is to reflect the recommended best practices, PFIA checklist requirements, legislative changes, and the designation of investment officers for the Town and PEDC. Under the Public Funds Investment Act, investment officers must attend at least eight hours of instruction relating to the treasurer's or officer's responsibilities not less than once

in a two-year period. Currently, the Finance Director, and Accounting Manager are designated for the Town.

Additionally, the PEDC Investment Policy currently calls for the PEDC Treasurer and the Finance Director to serve as investment officers.

**Vetting of Banks/Brokers:**

Section 2256.005(k) of the Texas Public Funds Investment Act, contained in Chapter 2256 of the Texas Government Code, requires broker/dealers to acknowledge receipt of the entity's investment policy, and the Town may require additional information in order for a bank/broker dealer to qualify to be on the approved list.

The investment policy states the governing body shall, at least annually, review, revise and adopt a list of qualified broker/dealers that are authorized to engage in investment transactions with the Town and PEDC.

The investment policy has identified the qualifying items to be on the approved list as follows:

- Eligibility
- Competitive Environment

Attached is the list of vetted broker/dealers and financial institutions that have qualified to be on the approved list. Financial Northeastern Securities has been removed from the list and Wells Fargo Securities has been added to the list.

**Budget Impact:**

N/A

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the resolution as to form and legality.

**Attached Documents:**

1. Resolution for Investment Policy and Investment Strategy
2. Matrix of qualified brokers/dealers and financial institutions

**Town Staff Recommendation:**

Town staff recommends approval of a resolution approving the Town of Prosper and the PEDC Investment Policy and Investment Strategy, and approve the list of qualified brokers/dealers and financial institutions that are authorized to engage in investment transactions with the Town of Prosper and the PEDC.

**Proposed Motion:**

I move to approve a resolution approving the Town of Prosper and the PEDC Investment Policy and Investment Strategy, and approve the list of qualified brokers/dealers and financial institutions that are authorized to engage in investment transactions with the Town of Prosper and the PEDC.