



City of Galveston

Finance Department
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July 23, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: Michael Loftin, Assistant City Manager Finance

RE: Consider for action adopting the 2020 Proposed Investment Policy.

I. Background

The Investment Policy governs the investment management process with respect to investments managed by the Finance Department of the City of Galveston for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Enterprise Funds. The Policy shall comply with and incorporate the Public Funds Investment Act, (the “Act”), Chapter 2256, Texas Government Code and the Public Funds Collateral Act, Chapter 2257, Texas Government Code. All participants in the investment process shall act responsibly as custodians of the public trust.

The Investment Policy is based on standards of prudent money management. Effective cash flow management and cash investment practices are recognized as essential to good fiscal management and have been incorporated into the investment program.

II. Current Situation

The City Council of the City of Galveston last reviewed and adopted the Investment Policy and its investment strategies on December 12, 2019. The proposed 2020 policy remains substantially the same with the following modification.

- a. Added language in Section IV. Suitable and Authorized Investments on page 7 of the policy to clarify the table on page 9. The paragraph reads “The City’s ownership share of any public funds investment pool shall be limited to 10% of the overall pool balance.”

The City of Galveston Finance, Fiscal Affairs and Investment Committee reviewed the policy in a meeting held on June 7, 2020. The committee approved a recommendation for City Council to accept the proposed 2020 Investment Policy.

III. Issues

It is the policy of the City of Galveston to review and adopt the Investment Policy not less than annually.

IV. Recommendation

Review and adopt the proposed 2020 Investment Policy.

V. Fiscal Impact Report

None.

