

Proposed Changes to Investment Policy:

	SECTION CHANGED:	PAGE #
1	Section V. A. 1 Add Federal Home Loan Banks - HB 2928 specifically added Federal Home Loan Banks as authorized investments.	7
3	Section V. A. 8 Remove the constant dollar requirement for money market mutual funds to be in compliance with the SEC requirements and new PFIA language.	8
4	Section V. A. 11 Remove "from any bank in Texas", add "as authorized under the Act" to correspond with updated language of the Act.	8
5	Section V. E Change portfolio limitation for money market bank accounts from 50% to 75%. The City has large allowable allocations for pools and collateralized CDs, which are also very safe. This limitation was increased to allow us to take advantage of opportunities as they arise.	9
6	Section VI. B 1) Change language requiring all investment providers to execute a written document stating the qualified representative has received and reviewed the City's investment policy TO all investment providers will be presented with the City's investment policy. 2) Add language that a qualified representative of a local government investment pool or discretionary investment management firm must execute a written instrument to acknowledge that the business organization has implemented reasonable procedures and controls to preclude transactions that are not authorized by the City's investment policy. 3) Remove language "The investment officers may not acquire or otherwise obtain any authorized investment from a person who has not delivered to the City an instrument in substantially the form described above." HB 1701 amends the language relating to Investment Policy Certification. Previously, the PFIA required all broker/dealers, banks, investment pools, and investment advisors provide certification that the entity had received a copy of the City's investment policy, they understand the requirements/restrictions, and will take measures to preclude violation of the policy. The new language only requires local government investment pools and discretionary investment management firms to supply the certification.	11
16	Addendum A Change the following broker/dealer <u>from</u> Coastal Securities <u>to</u> FTN Financial. The two companies merged in early 2017.	14
17	Addendum A Add the following broker dealers: Cantor Fitzgerald & Co., Oppenheimer & Co., Inc., and Rice Financial. With changing market conditions, staff recommends additional broker/dealer options. These brokers/dealers are active in the Texas local government market with excellent track records.	14