

## AGENDA ITEM SUMMARY

Meeting: 2/9/2012

DOC ID: 4329

Recommending Department: Financial Services

LSR No:

### Resolution -- Approving the Amended City of Irving Investment Policy

#### Administrative Comments

1. This item supports Strategic Goal No. 8: Sound Governance.
2. **Impact:** The approval of the amended investment policy will be in accordance with state law and allow staff to continue to safely maximize earnings for the City.
3. State law and the City of Irving Investment policy require annual review by the City Council.
4. In accordance with state law, a listing of authorized brokers and investment training providers has been provided to Council.
5. The last Council review was March 3, 2011.
6. The Public Funds Investment Act was revised during the last legislative session. The appropriate revisions have been incorporated into the City's policy.
7. Significant changes to the investment policy include:
  - A. Allowing for investments that are insured by the Federal Deposit Insurance Corporation (FDIC);
  - B. Allowing certificate of deposit (CD's) to be purchased from any federally insured depository regardless of location;
  - C. Repurchase agreements may be secured with a combination of cash and securities;
  - D. Additional reporting requirements for investment pools;
  - E. Requirement to verify rating on certain investments on a monthly basis.

#### Recommendation

The resolution be approved.

#### ADDITIONAL COMMENTS:

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Contract Required: NO

Review Completed By: N/A

Previous Action: RES 2011-61

Council Action: Approved

#### ATTACHMENTS:

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Investment Policy 2011 Edits (DOC)

List of Approved Investment Training (DOC)

List of Approved Broker (DOC)

**CURRENT YEAR FINANCIAL IMPACT:**

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N/A

**REVISION INFORMATION:**

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Prepared: 12/29/2011 11:18 AM by Brad Duff

Last Updated: 2/1/2012 12:42 PM by Jennifer Phillips

CITY OF IRVING

COUNCIL RESOLUTION NO. RES-2012-24

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF IRVING, TEXAS:

SECTION I. THAT the City Council hereby reviews and adopts the attached City of Irving Investment Policy, as amended, which includes the investment policy as well as investment strategies for the City, and furthermore, the City Council hereby approves and adopts the attached list of qualified brokers that are authorized to engage in investment transactions with the City and a list of qualified investment training providers, all pursuant to the requirements of the Texas Public Funds Investment Act.

SECTION II. THAT this resolution shall take effect from and after its final date of passage, and it is accordingly so ordered.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF IRVING, TEXAS,  
on February 9, 2012.

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BETH VAN DUYNE  
MAYOR

ATTEST:

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Shanae Jennings  
Acting City Secretary

APPROVED AS TO FORM:

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Charles R. Anderson  
City Attorney

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# City of Irving



**Investment Policy and Procedures**

**Approved October 30, 2003**

**Reviewed by City Council March 3, 2011**

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**City of Irving  
Investment Policy and Procedure**

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## **CITY OF IRVING INVESTMENT POLICY**

### **ARTICLE I: INVESTMENT POLICY**

- I.1 It is the policy of the City of Irving (the “City”) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and conforming to all state and local statutes governing the investment of public funds.
- I.2 This policy is created under guidelines and authority granted under the Texas Public Funds Investment Act (Texas State Government Code 2256).

### **ARTICLE II: SCOPE**

- II.1 This investment policy applies to all financial assets of the City. These funds are accounted for in the City’s Comprehensive Annual Financial Report and include:
  - a. the general fund;
  - b. the special revenue funds;
  - c. capital projects fund;
  - d. enterprise funds;
  - e. trust and agency funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
  - f. debt service funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately; and,
  - g. any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the various employee retirement and pension funds administered and/or sponsored by the City.

### **ARTICLE III: PRUDENCE**

- III.1 Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

- III.2 The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio, rather than a consideration as to the prudence of a single investment. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Manager and the City Council of the City of Irving, and appropriate action is taken to control adverse developments.

#### **ARTICLE IV: OBJECTIVES**

Investment of funds shall be governed by the following investment objectives, in order of priority, for each fund listed in Article II of this Policy.

- IV.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Each investment transaction will seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or the erosion of market value. To attain this objective diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- IV.2 Liquidity: The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.
- IV.3 Yield: The City’s investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.
- IV.4 Risk of Loss: All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transactions that might impair public confidence in the City’s ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio’s investment return, provided that adequate diversification has been implemented.

## ARTICLE V: INVESTMENT STRATEGY

- V.1 Passive Strategy: The City intends to pursue a passive portfolio management philosophy. While the financial market will be monitored by investment officials and the City will purchase investments based on the parameters for liquidity and based on market conditions, investment officials do not intend to actively sell investments. Market and credit risk shall be minimized by diversification. Diversification by market sector and security types, as well as maturity will be used to protect the City from credit and market risk in order to meet liquidity requirements.
- V.2 Operating Funds: Operating funds shall have as their primary objective to assure that anticipated cash outflows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure that will experience minimal volatility during changing economic cycles. These objectives may be accomplished by purchasing high quality short to medium-term securities in a laddered (maturities becoming due regularly and staggered to match cash outflows) or barbell (maturities that are placed very short term and maturities that are longer term, such that the average achieves cash flows and income similar to buying in the middle of those maturity spectrums) maturity structure and by diversification among market sectors. The City shall limit the weighted-average maturity of its operating funds to 365 days, and shall seek to achieve a market rate of return commensurate with the cash flow and risk constraints of the fund.
- V.3 Capital Project Funds and Special Purpose Funds: Capital Project Funds and Special Purpose Funds shall have as their primary objective to assure that anticipated cash outflows are matched with adequate investment liquidity. These portfolios should have liquid securities to allow for unanticipated project expenditures or accelerated project outlays due to a better than expected or changed construction schedule. The portfolios shall be invested based on cash flow estimates to be supplied by the City Engineer and the capital project report completed by Financial Services. The dollar-weighted average life of the portfolio should be matched to that of the duration of the liabilities. Funds invested for capital projects may be from bond proceeds that are subject to arbitrage rebate regulations. The City will manage these funds as previously described, but will conduct an arbitrage rebate calculation annually to determine the income, if any, that has exceeded the arbitrage yield of the bond. This positive arbitrage income will be average over a five-year period and rebated to the federal government according to arbitrage regulations. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond.



- V.4 Debt Service Funds: Debt Service Funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date that exceeds the debt service payment date. The City shall seek to achieve a market rate of return to each funded debt service payment date.
- V.5 Debt Service Reserve Fund: Debt Service Reserve Funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund within the limits set forth by the bond ordinance or debt covenants specific to each individual bond issue.

## ARTICLE VI: RESPONSIBILITY AND CONTROL

- VI.1 Delegation: Authority to manage the City's investment program is derived from this Investment Policy. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer, who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- VI.2 Designated Officials: All persons involved in investment activities shall be referred to as "Investment Officials." A person is considered "involved" in investment activities if he/she makes, or is involved, in the final decision to invest or withdraw funds from an investment as allowed by this policy.
- A. City of Irving: The City's Chief Financial Officer, Treasury Manager, and one Accountant shall be designated as investment officials who are responsible for the investment of the City's funds, with the exception of the Irving Arts Center and the Irving Convention and Visitors Bureau as listed in Sections VI.2.B and VI.2.C.
- B. Irving Arts Center: The Arts Center's Assistant Director of Administration shall be designated as the additional investment official responsible for the investment of the Irving Arts Center's funds.
- C. Irving Convention and Visitors Bureau: The Convention and Visitors Bureau's Senior Accountant or Business Manager shall be designated as the



additional investment officials responsible for the investment of the Irving Convention and Visitors Bureau's funds.

- VI.3 Term: Investment authority granted to the investing officials is effective until rescinded by the City Council or until termination of employment.
- VI.4 Conflicts of Interest: Investment officials and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
- VI.5 Disclosure: Investment officials and employees shall disclose to the Audit & Finance Committee any material financial interest in financial institutions that conduct business with the City. Investment officials and employees shall further disclose any material, personal investment positions that could be related to the performance of the City's portfolio.

An investment official who is related to an individual seeking to sell an investment to the investment official's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council. For purposes of this policy, an investment official has a personal business relationship with a business organization if:

- (1) the investment official owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment official from the business organization exceed 10 percent of the investment officials gross income for the previous year; or
- (3) the investment official has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment official.

Investment officials and employees shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

- VI.6 Training: The Chief Financial Officer and Treasury Manager shall have a finance, accounting or related degree and knowledge of treasury functions. Investment officials shall attend at least one training session relating to their cash management and investment responsibilities within 12 months after assuming these duties for the City and receive not less than 10 hours of instruction relating to investment responsibilities every two fiscal years.



Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio and compliance with State investment statutes. The training must be provided through an independent source approved by the City's Audit & Finance Committee or City Council.

- VI.7** Procedures: Before a trade is executed, a minimum of three (3) bids from three (3) different brokers on the approved broker/dealer list will be received. Upon execution of a trade, the investment official will choose the investment option that meets the requirements of this policy.

## **ARTICLE VII: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Chief Financial Officer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer with the following, as appropriate: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.

Investment officials shall not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the City, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Chief Financial Officer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.

## ARTICLE VIII: AUTHORIZED INVESTMENTS

City funds shall be invested only in Securities fully guaranteed by the United States Government or insured by the Federal Deposit Insurance Corporation (FDIC); Agencies of the United State Government, Certificates of Deposit; Repurchase Agreements fully secured by Obligations of the United States or its agencies and instrumentalities; Bankers' Acceptances; Commercial Paper; Money Market Mutual Funds; and Local Government Investment Pools. All such investments shall be in accordance with the Texas State Public Funds Investment Act, as amended. The following investments are authorized by the City of Irving:

VIII.1 Obligations of the United States or its agencies and instrumentalities.

VIII.2 Certificates of Deposit

- A. All deposits must be collateralized by pledged securities in accordance with the Texas State Public Funds Investment Act Sec. 2256.010, as amended.
- B. Certificates of deposit shall be issued by a depository institution that has its main office or a branch office in the state of Texas and guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor or the National Credit Union Share Insurance Fund or its successor.

In addition to the authority to invest funds in certificates of deposit, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this policy:

- C. The funds are invested by an investing entity through a broker that has its main branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025 of the Public Funds Investment Act, as amended, or
- D. The broker or the depository institution selected by the investing entity arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity.
- E. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States

- F. The investing entity appoints the depository institution selected by the investing entity under Section VIII.2 (C) of this policy, an entity described by Texas Public Funds Collateral Act, Section 2257.041 (d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

VIII.3 Repurchase or Reverse Repurchase Agreements: Fully collateralized Repurchase or Reverse Repurchase Agreements that have a defined termination date, are placed through a primary government securities dealer or a financial institution doing business in the State of Texas and are fully secured by a combination of cash and Obligations of the United States or its agencies and instrumentalities.

The combination of cash and securities received for repurchase agreements must have a market value greater than or equal to 102.5 percent at the time funds are disbursed. The securities must not have a maturity date longer than 10 years from the date of purchase.

Money received by the City under the terms of a Reverse Repurchase Agreement, by law, shall be used to acquire additional authorized investments, but may not have a term to exceed 30 days nor be used as a leveraged transaction (proceeds used to purchase an investment whose final maturity date exceeds the expiration date of the reverse). All transactions are governed by the City's Master Repurchase Agreement.

VIII.4 Direct obligations of this state or its agencies.

VIII.5 Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the full faith and credit of the United States.

VIII.6 Bankers' Acceptances

- A. The stated maturity shall not exceed 270 days from the issuance date.
- B. The investment shall be fully liquidated at maturity.
- C. The investment may be used as collateral for borrowing from a Federal Reserve Bank.
- D. The investment may only be accepted by a bank organized and existing under the laws of the United States or any state if the short-term obligations of the bank or of a bank holding company (of which the bank is the largest subsidiary) are



rated not less than A-1, P-1, or an equivalent by at least one nationally recognized credit rating agency.

VIII.7 Commercial Paper

- A. The stated maturity shall not exceed 270 days from the issuance date.
- B. The investment must not rate less than A-1, P-1, or an equivalent by at least two nationally recognized credit rating agencies, or by one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the U.S. or any state.

VIII.8 Money Market Mutual Funds

- A. The Fund must be regulated by the Securities and Exchange Commission (SEC).
- B. The Fund must have a dollar-weighted average stated maturity of not more than 90 days.
- C. The Fund must meet all requirements of the Texas Public Funds Investment Act, as amended.
- D. The City may not invest, in the aggregate, more than 20% of its monthly fund balance, excluding bond proceeds and reserves and other funds held for debt service in the Fund.
- E. The City's portion may not exceed 10 percent of the total assets of the fund, including bond proceeds and reserves and other funds held for debt service.
- F. The Fund must state an objective to maintain a stable net asset value of \$1 for each share.

The money market mutual fund will be the primary investment sweep instrument for the City of Irving.

VIII.9 Local Government Investment Pools, created to function as money market mutual funds, organized in conformity with Chapter 791 (Interlocal Cooperation Contracts Act) and Chapter 2256 (Public Funds Investment Act) of the Texas Government Code.

Individual Investment Pools must be approved by resolution of the City Council prior to use by investment officials.

## ARTICLE IX: QUALIFIED INVESTMENT POOL REQUIREMENTS

### IX.1 Government Investment Pools

- A. The requirements of Article 4413(32c), Section 4(d) of the Texas Revised Civil Statutes (“Interlocal Cooperation Act”) must be met.
- B. The City may not invest more than 20 percent of its monthly average fund balance, excluding bond proceeds in an individual Fund.
- C. The investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- D. Investment Officers must be furnished with information required by Sections 2256.016 (b) and (c) of the Texas Public Funds Investment Act.
- E. Investment pools created to function as a money market mutual fund must mark its portfolio to market daily and stabilize at a \$1 net asset value to the extent reasonably possible.
- F. An investment pool shall furnish to the Designated Official the yield and expense ratio of the pool, including a statement regarding how yield is calculated.
- G. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Sections IX.1 (D) and (E) of this policy must be posted on the website.
- H. The investment pool must make available to the entity an annual audited financial statement of the investment pool.
- I. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.
- J. An investment pool shall establish an advisory board.
- K. The City must authorize investment in a particular pool by ordinance.



- L. A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:
1. A description of eligible investment securities, and a written statement of investment policy and objectives.
  2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
  3. A description of how the securities are safeguarded (including the settlement processes), and how often are the securities priced and the program audited.
  4. A description of who may invest in the program, how often, what size deposit and withdrawal.
  5. A schedule for receiving statements and portfolio listings.
  6. Are reserves, retained earnings, etc. utilized by the pool/fund?
  7. A fee schedule, and when and how it is assessed.
  8. Is the pool/fund eligible for bond proceeds and /or will it accept such proceeds?

#### **ARTICLE X: UNAUTHORIZED INVESTMENTS**

Under no circumstances shall investments be made in interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or in collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years. Neither shall investments be made in obligations that are secured by these prohibited investments.

#### **ARTICLE XI: COLLATERALIZATION**

Collateralization will be required all repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with which the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

The right of collateral substitution is granted. However, the pledged collateral shall not leave the portfolio until the substituted collateral has been provided.





## **ARTICLE XII: SAFEKEEPING AND CUSTODY**

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Chief Financial Officer and evidenced by safekeeping receipts.

## **ARTICLE XIII: DIVERSIFICATION**

The City will diversify its investments by security type and institution. With the exception of obligations of the U.S. government and its agencies and instrumentalities, certificates of deposit, and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

## **ARTICLE XIV: MAXIMUM MATURITIES**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two years from the date of purchase. However, the City may collateralize its repurchase agreements using longer-dated investments not to exceed ten years to maturity.

Reserve funds may be invested in securities exceeding two years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

## **ARTICLE XV: INTERNAL CONTROLS**

The Chief Financial Officer shall establish a system of internal controls that shall be documented in writing. Such controls shall be designed to prevent losses of public funds arising from fraud, employee error, or misrepresentation by third parties, and shall be reviewed annually by the City's independent auditor. This review will provide internal control by assuring compliance with policies and procedures

## **ARTICLE XVI: PERFORMANCE STANDARDS**

XVI.1 The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.



- XVI.2 Market Yield (Benchmark): The City's investment strategy is passive. Given this strategy, the basis used by the Chief Financial Officer to determine whether market yields are being achieved shall be the average six-month U.S. Treasury Bill yield as calculated over the course of the reporting period.
- XVI.3 Mark-to-Market Pricing: Current market prices for individual securities held in the portfolio shall be obtained at least quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. These prices should be obtained from a reputable source including, but not limited to the Wall Street Journal, Bloomberg Capital Markets, the City's safekeeping agent and broker/dealers other than those who originally sold the security to the City.
- XVI.4 Effect of Ratings Downgrade: All authorized investments listed in this policy that require a minimum rating shall have the rating verified no less than monthly using the latest rating provided by a major rating agency. A security that requires a minimum rating under this policy will not qualify as an authorized investment in the event that the security is downgraded below the minimum rating. The City shall take all prudent measures within a reasonable period of time to liquidate an investment that does not have the minimum rating.

## **ARTICLE XVII: REPORTING REQUIREMENTS**

- XVII.1 Internal Management Reports. Each quarter, the appointed Investment Officials shall provide to the City Council a written report of all investments, which provides a clear picture of the status of the current investment portfolio. The report must be presented within 90 days of the end of the quarter or reporting period. The report must contain the following information:
- A. Investment position of the City of the date of the report.
  - B. The signature of each investment official of the City.
  - C. A summary statement of each pooled fund or individual portfolio, sorted by type of asset, that states the beginning market value for the reporting period, the ending market value for the period, and the resulting change in market value that may have occurred and a comparison of the same to the previous quarter.
  - D. A comparison of book value vs. market value and the unrealized gain or loss at the end of the period and the comparison to the previous period.
  - E. State the duration or average maturity of each portfolio.



- F. State the accounting fund or pooled group fund for which individual investments were acquired, by name or number or both.
- G. State the compliance of the investment portfolio as it relates to the investment strategy expressed in the City's investment policy and compliance with all laws governing the City's investments.
- H. Disclose the investment income earned and yields by portfolio.
- I. Disclose the investment income earned by accounting fund.
- J. Demonstrate the diversification of the City's investments.
- K. Provide a summary of economic activity and recent financial market conditions.
- L. Provide a listing of broker/dealers and financial institutions with which the City conducts business.

XVII.2 Reporting Audit: The reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

### **ARTICLE XVIII: REVIEW OF INVESTMENT POLICY**

The City Investment Policy shall be adopted by resolution of the governing body. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

*This Investment Policy was approved by the Irving City Council on March 3, 2011 and becomes effective immediately.*

**List of Approved Investment Training Providers  
City of Irving**

Texas Municipal League

Government Treasurer's Organization of Texas

University of North Texas

North Central Texas Council of Governments

Government Finance Officer's Association of Texas

**List of Approved Broker/Dealers  
City of Irving**

Banc of America NA – Juli Erickson

Coastal Securities – Brad Walden

Wells Fargo Securities, LLC – Susan Ward

Cantor, Fitzgerald L.P. – Don LaPiana