



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Christine Taylor

DATE: December 2, 2025

SUBJECT

Consider approval of a resolution of the City of Denton amending Policy Number 403.06 “Investment Policy” to make administrative maintenance revisions based on annual review of the policy; and providing an effective date. The Investment Committee recommends approval (3-0).

BACKGROUND

The City of Denton has a formal Investment Policy to guide decision making in managing and investing public funds. The City’s Policy is modeled after, and in compliance with, the provisions of the Public Funds Investment Act (PFIA) of Texas, Government Code Chapter 2256. In accordance with the Code, and in order of importance, are the following prioritized objectives for managing the City’s portfolio’s fixed income investments: safety of principal, liquidity, and yield. Since it is the City’s practice to hold securities until they mature, temporary market value gains and losses are unlikely to be realized. The general investment strategy, while considering the current interest rate environment, is to match maturities to cash flow needs.

The City Council is required by the PFIA to review and approve the Investment Policy at least annually.

Hilltop Securities, the City’s Investment Advisor, provided the City with a letter of compliance (Exhibit 3), after reviewing and discussing the red lined policy.

The following revisions are being proposed:

- 1) Administrative Maintenance
 - a) Change all “and/or” to “or”
- 2) VI Suitable and Authorized Investment Securities
 - a) A Portfolio Management – added clarifying language to illustrate the City’s compliance with PFIA requirements to monitor securities ratings

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On November 10, 2025, the City’s Investment Committee, comprised of City staff, recommended the revised Investment Policy be forwarded to the City Council for approval.

EXHIBITS

1. Agenda Information Sheet

2. FY 2024-25 Red Lined Investment Policy
3. Hilltop Securities Compliance Letter
4. Resolution

Respectfully submitted:
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