



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance  
**ACM:** Cassey Ogden  
**DATE:** December 03, 2024

### **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 (4-0).

### **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.

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) Remove Controller from Investment Committee
  - b) Update quorum requirement to three members
  - c) Add language to solidify annual completion of Conflict of Interest form
  
- 2) X Selection of Banks, Broker/Dealers and Investment Advisors
  - a) B Investment Broker/Dealers
    - i) Revise language to clarify broker/dealer’s ability to perform
    - ii) Remove language that is considered normal investment activity, “sustained realized losses”

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On November 4, 2024, City’s Investment Committee approved that the resolution and revised Investment Policy be forwarded to City Council for approval.

## **EXHIBITS**

1. Agenda Information Sheet
2. FY 2023-24 Red Lined Investment Policy
3. Hilltop Securities Compliance Letter
4. Resolution

Respectfully submitted:  
Ranee Klingele  
Treasury Manager