

AN ORDINANCE 2013-10-14-02

**APPROVING AND ADOPTING THE CITY OF LEON VALLEY  
INVESTMENT POLICY AND INVESTMENT STRATEGIES**

**WHEREAS**, Texas Government Chapter 2256, the Public Funds Investment Act (the "Act") authorizes a municipality to purchase, sell, and invest its funds and funds under its control in investments authorized under the Act in compliance with investment policies approved by the governing body and according to the standard of care prescribed by the Act; and

**WHEREAS**, the Act requires the City review the City's investment policy and investment strategies no less than annually; and

**WHEREAS**, the City Council hereby finds and determines that the attached investment policy and investment strategies complies with the Act and authorizes the investment of City funds in safe and prudent investments.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Leon Valley:

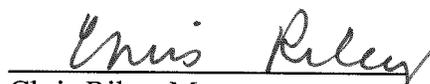
That the City of Leon Valley Investment Policy, attached hereto, and the investment strategies provided for therein has been reviewed by the City Council and is hereby adopted as the investment policy of the City of Leon Valley effective October 14, 2013 with no changes.

**DULY PASSED, ADOPTED AND APPROVED** by the City Council of the City of Leon Valley this 14th day of October 2013.

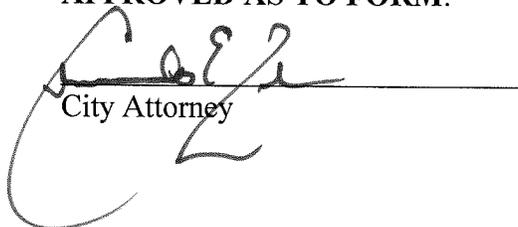
**ATTEST:**

  
City Secretary

**APPROVED:**

  
Chris Riley, Mayor

**APPROVED AS TO FORM:**

  
City Attorney



## MAYOR AND COUNCIL COMMUNICATION

M&C #2013-10-14-11

DATE: October 14, 2013

TO: MAYOR AND CITY COUNCIL

SUBJECT: ANNUAL REVIEW AND ADOPTION OF INVESTMENT POLICY

### PURPOSE

The Public Funds Investment Act of 1987 (PFIA) established rules and regulations for governmental entities to follow for the proper investment of public monies.

Since there have been no legislative or investment strategy changes that would require us to change our policy, no proposed changes to the current policy are being recommended.

### FISCAL IMPACT

None

### RECOMMENDATION

Adopt the City of Leon Valley Investment Policy.

### S.E.E. IMPACT

**Social Equity** - To ensure compliance with the Public Funds Investment Act of 1987. The Public Funds Investment Act of 1987 (PFIA) established rules and regulations for governmental entities to follow for the proper investment of public monies. The City's investment program is conducted to accomplish the following objectives, listed in priority order.

#### **A. Safety**

The primary objective of the City's investment program is the preservation and safety of principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from security defaults or erosion of market value.

#### **B. Liquidity**

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; thereby avoiding the need to liquidate investments under adverse market condition. It is the intent of the City to invest its funds to maturity.

#### **C. Diversification**

The investment portfolio will be designed to limit risk by avoiding the concentration of assets with a specific maturity, with a specific issuer, or in a specific class of securities.

#### **D. Yield**

A fundamental rule of investing is that risk equals return. The City has deliberately established a low risk threshold to protect its financial resources and ensure that cash is available when needed. The City will invest idle cash at the highest possible rate of return,

consistent with the objectives and provisions of this policy, and in compliance with state and federal laws governing the investment of public funds.

Economic Development - N/A

Environmental Stewardship - N/A

Approved  \_\_\_\_\_ Disapproved  \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

*Leticia Callanes*  
Interim City Secretary