



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** July 22, 2024
SUBJECT: Consider Resolution No. 2024-035, authorizing participation in the Texas Connect public funds investment pool.
PRESENTER: Jay Patel, Director of Finance

SUMMARY:

The City Council is being asked to approve a resolution to permit the City to participate in the Texas Connect Public Funds Investment Pool. The Texas Public Funds Investment Act ("PFIA") requires cities to invest public funds in investments that provide for preservation and safety of principal, liquidity and yield in a manner consistent with the PFIA. The Texas Connect Public Funds Investment Pool has been deemed to be consistent with the PFIA and the City's Investment Policy and Investment Strategy. The City currently participates in two other public funds investment pools – TexPool and Texas Range.

GENERAL DESCRIPTION:

Meeder Public Funds, Inc. is an SEC registered investment advisor who provides professional investment advisory and administrative services exclusively to state and local public entities and has served the City as its investment advisor since September 2021.

As of May 2024, the City had funds in the two public funds investment pools earning interest at current rates in excess of 5%. These pools are overnight pools and the City has the ability to deposit or withdraw in either pool as operational needs require. In the interest of diversification, the Finance Department is recommending adding a third public funds investment pool to the City's investment portfolio.

The PFIA requires City Council authorization before public funds may be deposited into a new public funds investment pool.

The contract for Discretionary Investment Management and Consulting Services with Meeder Public Funds will expire in September 2025 and the City will issue another RFP for Discretionary Investment Management and Consulting Services prior to that time. However, regardless of the choice of investment advisor for the City, the City can choose to continue to use any public funds investment pool previously authorized. Further, the PFIA does not set a minimum nor maximum in the number of investment



pools the City may participate.

RECOMMENDATION:

Approve Resolution No. 2024-035, authorizing the City to utilize the Texas Connect Public Investment Pool for deposits and withdrawals of City funds held on investment.