

# Authorizing Procedures and Delegating Authority for Purchase of Flex Repo Agreement Investment

January 15, 2019

## SUMMARY:

Consider and approve establishing procedures and delegating authority for the purchase of Flexible Repurchase Agreement investments.

## BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the District will:  
e. demonstrate effective and efficient management of District resources  
f. provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

## PREVIOUS BOARD ACTION:

A presentation was given to the Board on November 13, 2018 providing information on this type of investment instrument.

## BACKGROUND INFORMATION:

Like most Texas school districts, Denton ISD has traditionally and primarily utilized investment pools to invest its idle funds. To further diversify the District's portfolio and maximize return on investment, the Investment Officers of the District are recommending to invest a portion of the idle funds in Flexible Repurchase Agreement investments.

## SIGNIFICANT ISSUES:

Flexible Repurchase Agreements are an approved investment instrument permitted by District policy CDA (LOCAL) and Government Code 2256.011.

## FISCAL IMPLICATIONS:

Opportunity to maximize the District's return on investments for Bond and other fund investments

## BENEFIT OF ACTION:

Investing in Flexible Repurchase Agreement will provide an opportunity to further diversify the District's portfolio and maximize its return on investment.

## PROCEDURAL AND REPORTING IMPLICATIONS:

The Board of Trustees would designate the ability to approve the purchase of Flexible Repurchase Agreement investments to the District's Investment Officers so long as certain parameters approved by the Board of Trustees are met.

## SUPERINTENDENT'S RECOMMENDATION:

Recommend approval to authorize the investment of District idle funds in Flexible Repurchase Agreement investments with the following parameters:

1. The final maturity of the Flexible Repurchase Agreement may not exceed thirty-six (36) months;
2. The investment rate on the Flexible Repurchase Agreement exceeds the current TexPool "Daily Net Yield" by 0.25% at time of bidding;
3. The collateral instruments used meet the parameters set forth by Government Code 2257 as allowable.

## STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services  
Vicki Garcia, Executive Director of Financial Operations  
Julie Simpson, Director of Finance

## APPROVAL:

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_