

Collin County Community College District Board of Trustees

2018-10-5

October 23, 2018

Kenneth Lynn
Chief Financial Officer

AGENDA ITEM: Approval to Execute a Participation Agreement with Texas TERM, a Public Funds Investment Pool

DISCUSSION: Local Government Code 2256, Public Funds Investment Act, authorizes the College Board of Trustees to elect to utilize various investment instruments specified in the Code. The College Board of Trustees has exercised that authority by adopting Policy CAK (Local). One of the investment tools authorized in Policy CAK (Local) is:

Local government investment pools approved by the College District's Board, by resolution, with a continuous rating of no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and striving to maintain a \$1 net asset value.

The College currently is authorized to participate in two local government investment pools – Texpool and TexStar. Texpool and TexStar – which are both \$1 NAV daily liquidity pools that invest in U.S. government securities, repurchase agreements, and AAA-rated money market funds.

Texas TERM offers a similar daily liquidity investment opportunity as Texpool and TexStar but also offers a commercial paper investment pool that offers a greater maturity range corresponding Policy CAK (Local) maximum maturities for commercial paper investments. Texas TERM currently manages approximately \$5 billion of investments for Texas local government entities.

Representative yields of the pools discussed are as follows:

Texpool (Daily)	2.11%
TexStar (Daily)	2.14%
Texas TERM (Daily)	2.13%
Texas TERM CP (60-270 days)	2.17% - 2.60%

Authorization to invest in the Texas TERM family of funds will provide the College the opportunity to invest in

professionally managed portfolios within the allowable limits of the College's investment policy.

**DISTRICT PRESIDENT'S
RECOMMENDATION:**

The District President recommends approval to execute a Participation Agreement with Texas TERM.

SUGGESTED MOTION:

"Mr. Chairman, I make a motion that the Board of Trustees of Collin County Community College District approves the execution of a Participation Agreement with Texas TERM.