

# College Station Independent School District

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## MEMORANDUM

To: Dr. Clark Ealy, Superintendent

From: Mike Martindale, Deputy Superintendent

Date: August 14, 2019

Subject: Texas Cooperative Liquid Assets Securities Systems Trust (Texas CLASS)

Agenda Item: J – 10.

## BACKGROUND

Currently, College Station ISD utilizes two different investment pools, Lone Star Investment Pool and TexPool. The attached resolution will allow us to become a member of the Texas Cooperative Liquid Assets Securities Systems Trust (Texas CLASS), increasing our investment pool options to three.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

A handwritten signature in blue ink, appearing to read "mm", is located to the left of the contact information for Mike Martindale.

**Mike Martindale**  
Deputy Superintendent -  
Chief Financial Officer

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College Station, TX 77840  
979-764-5400 -- www.csisd.org

A handwritten signature in black ink, appearing to read "CE", is located to the right of the contact information for Clark C. Ealy. Below the signature is the date "8/14/19".

**CLARK C. EALY, Ph.D.**  
Superintendent of Schools



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## General Questions

- **What are the investment objectives for Texas CLASS?**

1. **Legality**

- To invest only in investments legally permitted under Texas State Law (Public Funds Investment Act).

2. **Safety**

- To minimize risk by managing portfolio investments to preserve principal and maintain a stable Net Asset Value (NAV).
- To maintain the highest rating for Texas CLASS from a nationally recognized statistical rating organization as long as such rating is required by Texas State Law.

3. **Liquidity**

- To manage portfolio investments in a way that ensures that cash will be available as required to finance Participants' operations.

4. **Yield**

- To maximize current income to the degree consistent with legality, safety, and liquidity.

- **Who oversees Texas CLASS?**

Texas CLASS is overseen by the Texas CLASS Board of Trustees, comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisor. The Board retains the services of Public Trust Advisors, LLC (Public Trust).

- **Who is eligible to use Texas CLASS?**

Any municipality, county, school district, or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district and any political subdivision, authority, public corporation, body politic, or instrumentality of the state of Texas, any office, department, commission, board, or other agency that is part of any branch of State government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities that

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has taken the actions required by Section 2256.016 of the Act and that has executed either the Trust Agreement or a counterpart of the Trust Agreement or a participation certificate.

## **RECOMMENDATION**

It is recommended that the College Station ISD Board of Trustees approve the attached resolution for College Station ISD to participate in the Texas Cooperative Liquid Assets Securities Systems Trust (Texas CLASS).

**Mike Martindale**  
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