

Memorandum

REPORT TO: City Commission

FROM: Laurae Clark, Treasurer
Kristin Donald, Finance Director

SUBJECT: Approve the Depository Bonds and Pledged Securities as of December 31, 2020

MEETING DATE: February 2, 2021

AGENDA ITEM TYPE: Finance

RECOMMENDATION: Approve the depository bonds and pledged securities as of December 31, 2020.

STRATEGIC PLAN: 7.4 Performance Metrics: Utilize key performance and cost measures to monitor, track and improve the planning and delivery of City programs and services, and promote greater accountability, effectiveness and efficiency. Learn from those outside city government and measure specific tasks for performance.

BACKGROUND:

17-6-102. Insurance on deposits. (1) Deposits in excess of the amount insured by the federal deposit insurance corporation or the national credit union administration may not be made unless the bank, building and loan association, savings and loan association, or credit union first delivers to the state treasurer or deposits in trust with some solvent bank, as security therefore, bonds or other obligations of the kinds listed in [17-6-103](#), having a market value equal to at least 50% of the amount of the deposits in excess of the amount insured. The board of investments may require security of a greater value. When negotiable securities are placed in trust, the trustee's receipt may be accepted instead of the actual securities if the receipt is in favor of the state treasurer, successors in office, and the state of Montana and the form of receipt and the trustee have been approved by the board of investments.

(2) Any bank, building and loan association, savings and loan association, or credit union pledging securities as provided in this section may at any time substitute securities for any part of the securities pledged. The substituted collateral must conform to [17-6-103](#) and have a market value at least sufficient for compliance with subsection (1). If the substituted securities are held in trust, the trustee shall, on the same day the substitution is made, forward by registered or certified mail to the state treasurer and to the depository financial institution a receipt specifically describing and identifying both the securities substituted and those released

and returned to the depository financial institution.

Section 7-6-207 (2), MCA, requires the City Commission to approve pledged securities at least quarterly.

UNRESOLVED ISSUES: None

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: The City is sufficiently pledged.

Attachments:

[Commission Memo - Pledged Securities - Approval 1220.doc](#)
[Depository Bonds & Securities 1220.doc](#)

Report compiled on: January 13, 2021