

Memorandum

REPORT TO: City Commission

FROM: Laurae Clark, Treasurer
Melissa Hodnett, Finance Director

SUBJECT: Approval of Depository Bonds and Pledged Securities as of September 30, 2022

MEETING DATE: November 1, 2022

AGENDA ITEM TYPE: Finance

RECOMMENDATION: Approve the depository bonds and pledged securities as of September 30, 2022.

STRATEGIC PLAN: 7.5. Funding and Delivery of City Services: Use equitable and sustainable sources of funding for appropriate City services, and deliver them in a lean and efficient manner.

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: None

FISCAL EFFECTS: The city is sufficiently pledged.

Attachments:

[21- Depository Bonds and Securities - As of 12-31-2021.pdf](#)

Report compiled on: October 11, 2022