



City of Sachse, Texas

Meeting Agenda

Economic Development Corporation

Wednesday, October 25, 2017

6:30 PM

Council Chambers

The Board of Directors of the Economic Development Corporation of the City of Sachse will hold a Regular Meeting on Wednesday, October 25, 2017, at 6:30 p.m. in the Council Chambers at Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas to consider the following items of business:

1. Invocation and Pledge of Allegiance to the U.S. and Texas Flags.

ALL ITEMS LISTED ON THE CONSENT AGENDA WILL BE CONSIDERED BY THE BOARD AND WILL BE ENACTED BY ONE MOTION, THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A BOARD MEMBER SO REQUESTS.

2. Consent Agenda Items.

[17-4041](#) Consider and take action on the minutes of the Sachse Economic Development Corporation regular meeting of September 21, 2017.

[17-4031](#) Accept the monthly revenue and expenditure report for the period ending August 31, 2017 and preliminary summary budget report for September 2017.

Attachments: [SEDC 08-31-17](#)

[EDC Sept 2017 Summary Budget](#)

[17-4049](#) Receive the City of Sachse Investment Policy for FY 2017-2018, as amended by the City Council on October 16, 2017.

Attachments: [Resolution Approving Investment Policy 2017-18](#)

[Investment Policy 2017 09 25 Proposed Sachse with markup](#)

3. Regular Agenda Items.

[17-4050](#) Gateway Planning will provide a presentation on the proposed draft of the PGBT zoning in order to generate discussion and receive feedback.

[17-4043](#) Consider and take action on reports and presentations by the Sachse Economic Development Corporation President, Board Members, CEO and staff regarding items of community interest, special events, announcements and activities, office, industrial, commercial, retail, business retention and marketing projects.

[17-4042](#) Discuss possible future agenda items.

4. Executive Session.

[17-4047](#) The Economic Development Corporation shall convene into Executive

Session pursuant to the Texas Government Code, Section §551.072:
Deliberation of the purchase, sale and license of real property generally
located in mid-west part of the City of Sachse.

Consider any action as a result of Executive Session.

[17-4046](#)

The Economic Development Corporation shall convene into Executive
Session pursuant to Texas Government Code Section §551.087:
Deliberation regarding economic development incentive for retail or
commercial business projects seeking to locate or expand within the City
of Sachse.

Consider any action as a result of Executive Session.

5. Regular Agenda Items.

[17-4048](#)

Recognize and thank outgoing SEDC Board Member Lyndsey Monahan
for her service on the SEDC Board of Directors.

6. Adjournment.

The SEDC Board reserves the right to convene into Executive Session pursuant to the Texas
Government Code, Chapter 551.071(2) for the purpose of seeking confidential legal advice from
SEDC's general counsel regarding posted items on the meeting agenda.

Posted: October 20, 2017; 5:00 p.m.

Michelle Lewis Sirianni, City Secretary

*If you plan to attend this public meeting and you have a disability that requires special arrangements at the
meeting, please contact Michelle Lewis Sirianni, City Secretary, at (972) 495-1212, 48 business hours prior to the
scheduled meeting date.*



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4041 **Version:** 1 **Name:** SEDC meeting minutes of September 21, 2017
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Consider and take action on the minutes of the Sachse Economic Development Corporation regular meeting of September 21, 2017.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Consider and take action on Minutes of the Sachse Economic Development Corporation regular meeting of September 21, 2017

Background

Minutes of meetings are prepared in writing and distributed for approval.

Policy Considerations

Robert's Rules of Order.

Budgetary Considerations

None.

Staff Recommendations

Approve the meeting minutes for September 21, 2017 as a consent item.



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4031 **Version:** 1 **Name:** EDC Budget Reports October 2017
Type: Agenda Item **Status:** Agenda Ready
File created: 10/16/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Accept the monthly revenue and expenditure report for the period ending August 31, 2017 and preliminary summary budget report for September 2017.
Sponsors:
Indexes:
Code sections:
Attachments: [SEDC 08-31-17](#)
[EDC Sept 2017 Summary Budget](#)

Date	Ver.	Action By	Action	Result
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Title

Monthly revenue and expenditure report for the period ending August 31, 2017 and preliminary summary budget report for September 2017.

Background

The Sachse Economic Development Corporation Treasurer will prepare financial reports each month updating the Board regarding revenues and expenditures and budgetary progress for the current year. The monthly report includes the revenue and expenditure report presented at the most recent City Council meeting, as well as a preliminary line item report for the most recent month. The report is labeled as "preliminary" because the financial period has not been closed.

Budgetary Considerations

None.

Staff Recommendations

Accept the monthly revenue and expenditure report for the period ending August 31, 2017 and preliminary summary budget report for September 2017.

City of Sachse
Monthly Revenue and Expenditure Report
August 31, 2017
(Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

92% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Sales Tax	\$ 691,944	\$ 75,828	\$ 695,941	100.58%	
Other Income	\$ -		\$ 502,845		A
Interest Income	3,000	419	3,184	106.14%	
Total Revenue	\$ 694,944	\$ 76,247	\$ 1,201,969	172.96%	
Expenditure Summary					
Expenditures	688,809	44,746	316,332	45.92%	
Total Expenditures	\$ 688,809	\$ 44,746	\$ 316,332	45.92%	
Total Revenue Over/Under Expenses	\$ 6,135	\$ 31,501	\$ 885,637		

Explanation of Major Variances:

A Proceeds from sale of land



City of Sachse

Budget to Actual Account Summary

For Fiscal: 2016-2017 Period Ending: 09/30/2017

		Prior Year Budget	Prior Year Actual	2016-2017 Budget	MTD Activity	YTD Activity	Encumbrances	Percentage	Remaining Balance
Fund: 06 - ECONOMIC DEVELOPMENT FUND									
Revenue									
000 - Non-Departmental									
06-000-40060	Sales Tax	609,759.00	731,010.45	691,944.00	53,901.83	749,842.41	0.00	108.37 %	-57,898.41
06-000-45000	Interest Income	8,000.00	4,566.62	3,000.00	378.08	3,562.14	0.00	118.74 %	-562.14
06-000-49031	Other Financing Sources-Gains/Losses	0.00	0.00	0.00	0.00	502,844.54	0.00	0.00 %	-502,844.54
000 - Non-Departmental Total:		617,759.00	735,577.07	694,944.00	54,279.91	1,256,249.09	0.00	180.77 %	-561,305.09
Revenue Total:		617,759.00	735,577.07	694,944.00	54,279.91	1,256,249.09	0.00	180.77 %	-561,305.09

Budget to Actual

For Fiscal: 2016-2017 Period Ending: 09/30/2017

Expense	Prior Year Budget	Prior Year Actual	2016-2017 Budget	MTD Activity	YTD Activity	Encumbrances	Percentage	Remaining Balance
019 - Economic Development Corporation								
<u>06-019-50000</u> Wages and Salaries	109,304.00	107,735.10	107,807.00	8,322.68	103,780.46	0.00	96.27 %	4,026.54
<u>06-019-50030</u> Longevity Pay	122.00	80.00	194.00	0.00	128.00	0.00	65.98 %	66.00
<u>06-019-50050</u> Social Security and Med Fica Contribu	8,371.00	7,568.96	8,455.00	588.06	7,399.78	0.00	87.52 %	1,055.22
<u>06-019-50060</u> TMRS Contributions	11,844.00	12,277.32	12,577.00	1,090.76	12,933.55	0.00	102.83 %	-356.55
<u>06-019-50070</u> Health Insurance	5,592.00	5,794.70	6,411.00	609.04	6,785.02	0.00	105.83 %	-374.02
<u>06-019-50080</u> Dental Insurance	268.00	206.30	127.00	30.60	209.80	0.00	165.20 %	-82.80
<u>06-019-50090</u> Life and LTD Insurance	246.00	0.00	248.00	0.00	0.00	0.00	0.00 %	248.00
<u>06-019-50100</u> Workers Compensation	370.00	256.30	370.00	0.00	347.00	0.00	93.78 %	23.00
<u>06-019-50110</u> Unemployment Tax	414.00	344.19	342.00	0.63	17.38	0.00	5.08 %	324.62
<u>06-019-51030</u> Utilities - Communications	1,560.00	1,820.67	1,560.00	185.93	1,313.87	0.00	84.22 %	246.13
<u>06-019-51050</u> Office Supplies	2,000.00	2,607.06	2,400.00	358.66	1,662.51	0.00	69.27 %	737.49
<u>06-019-51070</u> Postage	1,000.00	186.93	500.00	27.60	227.04	0.00	45.41 %	272.96
<u>06-019-51230</u> Business Retention Efforts	7,000.00	1,881.74	7,000.00	1,388.87	5,264.87	0.00	75.21 %	1,735.13
<u>06-019-51400</u> Special Programming Supplies	3,500.00	4,190.82	3,500.00	150.82	2,429.70	0.00	69.42 %	1,070.30
<u>06-019-51510</u> Small Tools and Equipment	700.00	582.05	700.00	637.75	637.75	0.00	91.11 %	62.25
<u>06-019-51800</u> Dues and Subscriptions	3,580.00	4,442.67	6,000.00	10.65	4,953.94	0.00	82.57 %	1,046.06
<u>06-019-51810</u> Employee Training	9,000.00	10,110.17	9,000.00	110.00	10,739.71	0.00	119.33 %	-1,739.71
<u>06-019-52000</u> Vehicle Repairs and Maintenance	300.00	-2,358.67	300.00	72.28	686.18	0.00	228.73 %	-386.18
<u>06-019-53002</u> Professional Fees	190,000.00	108,838.65	90,000.00	22,328.75	81,270.73	0.00	90.30 %	8,729.27
<u>06-019-53060</u> Printing Services	2,600.00	3,003.76	2,600.00	677.77	1,494.81	0.00	57.49 %	1,105.19
<u>06-019-53380</u> Advertising and Legal Publications	114,500.00	109,190.73	114,500.00	37,955.77	77,965.40	0.00	68.09 %	36,534.60
<u>06-019-53500</u> Web Page Services	7,000.00	1,823.76	7,000.00	0.00	1,914.94	0.00	27.36 %	5,085.06
<u>06-019-54500</u> Local Business Grant Program	164,000.00	24,600.00	246,000.00	50,000.00	62,600.00	0.00	25.45 %	183,400.00
<u>06-019-55000</u> Operating Transfer Out - General Fund	56,540.00	56,540.00	61,218.00	5,101.50	61,218.00	0.00	100.00 %	0.00
019 - Economic Development Corporation Total:	699,811.00	461,723.21	688,809.00	129,648.12	445,980.44	0.00	64.75 %	242,828.56
Expense Total:	699,811.00	461,723.21	688,809.00	129,648.12	445,980.44	0.00	64.75 %	242,828.56
Fund 06 Revenue Over/(Under) Expenses	-82,052.00	273,853.86	6,135.00	-75,368.21	810,268.65	0.00	13,207.31 %	-804,133.65
Total Revenue Over/(Under) Expenses:	-82,052.00	273,853.86	6,135.00	-75,368.21	810,268.65	0.00	13,207.31 %	-804,133.65



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4049 **Version:** 1 **Name:** SEDC 2018 Investment Policy Review
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Receive the City of Sachse Investment Policy for FY 2017-2018, as amended by the City Council on October 16, 2017.

Sponsors:

Indexes:

Code sections:

Attachments: [Resolution Approving Investment Policy 2017-18](#)
[Investment Policy 2017 09 25 Proposed Sachse with markup](#)

Date	Ver.	Action By	Action	Result
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Title

City of Sachse Investment Policy for FY 2017-2018, as amended by the City Council on October 16, 2017.

Background

The 2017-2018 revisions to the Investment Policy were reviewed by City Council and approved by resolution on October 16, 2017. The resolution adopted by the SEDC Board on December 11, 2013 stated that the City's Investment Policy as may be amended and updated from time to time, will be followed by SEDC. This action is for review of changes only. A summary of changes is shown below:

IX. Authorized and Suitable Investments

- add "including the Federal Home Loan Banks." (page 5)
- add decimal places "\$1.0000 for each share" (page 6)
- replace "created to function as a money market mutual fund" with "utilized as a cash-equivalent investment" (page 8)
- add decimal places "\$1.00 net asset value" and replace "shall" with "may" (page 8)

XXIV. Investment Policy Certification

- replace "but not limited to "investment pool, financial institution, broker/dealer" with "investment pool and discretionary investment management firm" (page 13)

Appendix A--Authorized Broker/Dealer Firms

- replace Coastal Securities with FTN Financial (page 15)

Policy Considerations

The changes to the Investment Policy are in compliance with the Public Funds Investment Act.

Budgetary Considerations

None.

Staff Recommendations

Receive the City of Sachse Investment Policy for FY 2017-2018, as amended by the City Council on October 16, 2017.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, ADOPTING THE CITY OF SACHSE, SACHSE ECONOMIC DEVELOPMENT CORPORATION, AND PRESIDENT GEORGE BUSH TURNPIKE REINVESTMENT ZONE TAX INCREMENT FUND INVESTMENT POLICY (“SACHSE INVESTMENT POLICY”) ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, TEX. GOV’T CODE, the City Council of the City of Sachse, Texas by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Tex. Gov’t Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Sachse Investment Policy, attached hereto as Exhibit “A” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this Resolution.

SECTION 2. That the City Council of the City of Sachse has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. That all provisions of the Resolutions of the City of Sachse, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions of the Resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution, which shall remain in full force and effect.

SECTION 5. That this Resolution shall become effective immediately from and after its passage.

SECTION 6. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the 16th day of October, 2017.

CITY OF SACHSE, TEXAS

Mike J. Felix, Mayor

ATTEST:

Michelle Lewis-Sirianni, City Secretary

Exhibit “A”
CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
PRESIDENT GEORGE BUSH TURNPIKE REINVESTMENT ZONE TAX INCREMENT
FUND
INVESTMENT POLICY

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, and President George Bush Turnpike Reinvestment Zone Tax Increment Fund shall be singularly referred to as “ENTITY” and collectively referred to as “SACHSE.”

It is the policy of SACHSE to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of SACHSE and conforming to the Public Funds Investment Act (“PFIA”), Chapter 2256 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE’s financial control and accounted for in the City of Sachse’s Comprehensive Annual Financial Report (CAFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Water and Sewer Enterprise Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment’s credit risk or market price changes, provided deviation from

expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance and the Finance Manager of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large

personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA 2256.005(i) by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by the City Council (Appendix A). These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need of SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversify its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:
 - 1. General Fund
 - 2. Debt Service Fund
 - 3. Special Revenue Fund
 - 4. Capital Projects Fund
 - 5. Sachse Economic Development Corporation Fund
 - 6. President George Bush Reinvestment Zone Tax Increment Fund

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. The projects may require investments with short to intermediate maturities.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

- C The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

A. Obligations of, or guaranteed by, governmental entities:

1. obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. direct obligations of this State or its agencies and instrumentalities;
3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund, or its successor;

2. secured by obligations that are described in Section XII Collateralization; and
3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

C. Repurchase Agreements:

1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX.A1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX.A1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

D. Mutual Funds:

1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:
 - (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (c) has a dollar-weighted average stated maturity in compliance with regulations;
 - (d) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and

- (e) is continuously rated no lower than AAAM or at an equivalent rating by one nationally recognized rating service.
- 2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Investment Pools:

- 1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA 2256.016.
- 2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;
 - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;
 - (e) the size of the pool;
 - (f) the names of the members of the advisory board of the pool and the dates their terms expire;
 - (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment,

such as insurance or guarantees, and a description of the secondary source of payment;

- (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;
 - (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;
 - (8) a listing of daily transaction activity of the entity participating in the pool;
 - (9) the yield and expense ratio of the pool;

- (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
- 4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
- 5. Investment Pool “yield” shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
- 6. A public funds investment pool utilized as a cash-equivalent investment must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1.00 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings may be sold as necessary to maintain the ratio between 0.995 and 1.005.
- 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or
 - (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
- 8. A public funds investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by one nationally recognized rating service.
- 9. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.
- 10. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.
- 11. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include

either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

X. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XI. Depository

In compliance with State legislation, a primary Depository shall be selected through SACHSE'S banking services procurement process, which shall include a formal request for application (RFA). In selecting a depository the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding F.D.I.C. insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less F.D.I.C. insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in the Public Funds Collateral Act.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, in its sole discretion, to accept or

reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party with whom SACHSE has a custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIII. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in an account in SACHSE's name by a third party safekeeping agent/custodian designated by the Investment Officers and evidenced by safekeeping receipts.

XIV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XV. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVI. Maximum Maturities and Weighted Average Maturity

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. SACHSE will not directly invest in instruments

maturing more than 2 years from the date of purchase, with the maximum weighted average maturity for the total portfolio to not exceed twelve months. However, SACHSE may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XIX. Reporting

- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
 - 1. describe in detail the investment position of SACHSE on the date of the report;
 - 2. be prepared jointly by all Investment Officers of SACHSE;
 - 3. be signed by each Investment Officer of SACHSE;
 - 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.

5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 6. state the maturity date of each separately invested asset that has a maturity date;
 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and
 8. state the compliance of the Investment Portfolio of the local government as it relates to:
 - (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XX. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

XXI. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA

compliance. SACHSE approves the Government Finance Officers' Association, Government Finance Officers' Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend training accumulating at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 8 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIII. Donated Investments

This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

XXIV. Investment Policy Certification

The qualified representative of any business organization (including: investment pool and discretionary investment management firm) offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this 16th day of October, 2017.

Mike J. Felix
Mayor, City of Sachse, Texas

ATTEST:

Michelle Lewis-Sirianni
City Secretary, City of Sachse, Texas

Acknowledged by the Sachse Economic Development Corporation, Texas this _____ day of _____, 2017.

President
Sachse Economic Development Corporation

ATTEST:

Executive Director
Sachse Economic Development Corporation

Acknowledged by the President George Bush Turnpike Reinvestment Zone Tax Increment Fund, Texas this _____ day of _____, 2017.

President
President George Bush Turnpike
Reinvestment Zone Tax Increment Fund

ATTEST:

Board Secretary
President George Bush Turnpike Reinvestment Zone Tax Increment Fund

Appendix A
Authorized Broker/Dealer Firms

FTN Financial
Hilltop Securities
Oppenheimer
Raymond James
Wells Fargo

**CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
PRESIDENT GEORGE BUSH TURNPIKE REINVESTMENT ZONE TAX INCREMENT FUND
INVESTMENT POLICY**

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, and President George Bush Turnpike Reinvestment Zone Tax Increment Fund shall be singularly referred to as “ENTITY” and collectively referred to as “SACHSE.”

It is the policy of SACHSE to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of SACHSE and conforming to the Public Funds Investment Act (“PFIA”), Chapter 2256 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE’s financial control and accounted for in the City of Sachse’s Comprehensive Annual Financial Report (CAFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Water and Sewer Enterprise Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment’s credit risk or market price changes, provided deviation from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance and the Finance Manager of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA 2256.005(i) by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by the City Council (Appendix A). These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need of SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversity its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:

1. General Fund
2. Debt Service Fund
3. Special Revenue Fund
4. Capital Projects Fund
5. Sachse Economic Development Corporation Fund
6. President George Bush Reinvestment Zone Tax Increment Fund

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. The projects may require investments with short to intermediate maturities.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

- C. The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

- A. Obligations of, or guaranteed by, governmental entities:

1. obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. direct obligations of this State or its agencies and instrumentalities;
3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund, or its successor;
2. secured by obligations that are described in Section XII Collateralization; and
3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

C. Repurchase Agreements:

1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX.A1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX.A1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

D. Mutual Funds:

1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:
 - (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (c) has a dollar-weighted average stated maturity in compliance with regulations;
 - (d) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - (e) is continuously rated no lower than AAAm or at an equivalent rating by one nationally recognized rating service.
2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Investment Pools:

1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA 2256.016.
2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;
 - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;
 - (e) the size of the pool;

- (f) the names of the members of the advisory board of the pool and the dates their terms expire;
 - (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;
 - (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;

- (8) a listing of daily transaction activity of the entity participating in the pool;
 - (9) the yield and expense ratio of the pool;
 - (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
- 4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
- 5. Investment Pool “yield” shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
- 6. A public funds investment pool ~~utilized as a cash-equivalent investment created to function as a money market mutual fund~~ must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1.00 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings ~~shall~~ may be sold as necessary to maintain the ratio between 0.995 and 1.005.
- 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or
 - (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
- 8. A public funds investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by one nationally recognized rating service.
- 9. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.
- 10. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

11. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

X. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XI. Depository

In compliance with State legislation, a primary Depository shall be selected through SACHSE'S banking services procurement process, which shall include a formal request for application (RFA). In selecting a depository the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding F.D.I.C. insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less F.D.I.C. insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in the Public Funds Collateral Act.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The

collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party with whom SACHSE has a custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIII. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in an account in SACHSE's name by a third party safekeeping agent/custodian designated by the Investment Officers and evidenced by safekeeping receipts.

XIV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XV. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVI. Maximum Maturities and Weighted Average Maturity

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. SACHSE will not directly invest in instruments maturing more than 2 years from the date of purchase, with the maximum weighted average maturity for the total portfolio to not exceed twelve months. However, SACHSE may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XIX. Reporting

- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
 - 1. describe in detail the investment position of SACHSE on the date of the report;
 - 2. be prepared jointly by all Investment Officers of SACHSE;
 - 3. be signed by each Investment Officer of SACHSE;
 - 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.
 - 5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 - 6. state the maturity date of each separately invested asset that has a maturity date;
 - 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and
 - 8. state the compliance of the Investment Portfolio of the local government as it relates to:

- (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XX. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

XXI. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA compliance. SACHSE approves the Government Finance Officers' Association, Government Finance Officers' Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend training accumulating at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 8 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIII. Donated Investments

This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

XXIV. Investment Policy Certification

The qualified representative of any business organization (including ~~but not limited to:~~ investment pool and discretionary investment management firm, ~~financial institution, broker/dealer~~) offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this 3rd day of October, 2016.

Mayor
City of Sachse, Texas

ATTEST:

City Secretary
City of Sachse, Texas

Acknowledged by the Sachse Economic Development Corporation, Texas this _____ day of _____, 2016.

President
Sachse Economic Development Corporation

ATTEST:

Executive Director
Sachse Economic Development Corporation

Acknowledged by the President George Bush Turnpike Reinvestment Zone Tax Increment Fund, Texas this _____ day of _____, 2016.

President
President George Bush Turnpike Reinvestment Zone

Tax Increment Fund

ATTEST:

Board Secretary
President George Bush Turnpike Reinvestment Zone Tax Increment Fund

Appendix A
Authorized Broker/Dealer Firms

~~Coastal Securities~~ FTN Financial

Hilltop Securities

Oppenheimer

Raymond James

Wells Fargo



City of Sachse, Texas

Legislation Details (With Text)

File #:	17-4050	Version:	1	Name:	Joint WS 10-09-17 PGBT Zoning
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	10/20/2017	In control:		In control:	Economic Development Corporation
On agenda:	10/25/2017	Final action:		Final action:	
Title:	Gateway Planning will provide a presentation on the proposed draft of the PGBT zoning in order to generate discussion and receive feedback.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
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Title

Gateway Planning will provide a presentation on the proposed draft of the PGBT zoning in order to generate discussion and receive feedback.

Background

The draft zoning for PGBT has been presented to City Council and Planning and Zoning in a joint workshop on 10.9.17, and a Public Hearing will be conducted on 10.23.17.

Next Steps

- Public hearing by City Council (11-06-17)

Recommendations

Receive presentation, discuss, and provide feedback.



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4043 **Version:** 1 **Name:** Reports and Presentations.
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Consider and take action on reports and presentations by the Sachse Economic Development Corporation President, Board Members, CEO and staff regarding items of community interest, special events, announcements and activities, office, industrial, commercial, retail, business retention and marketing projects.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Consider and take action on reports and presentations by the Sachse Economic Development Corporation President, Board Members, CEO and staff regarding items of community interest, special events, announcements and activities, office, industrial, commercial, retail, business retention and marketing projects.

Background

Announcements are made at this time only for information purposes.

Policy Considerations

There is no action or discussion of topics presented.

Budgetary Considerations

None.

Staff Recommendations

None.



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4042 **Version:** 1 **Name:** Future agenda items.
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Discuss possible future agenda items.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Discuss possible future agenda items:

Background

The Board makes suggestions on topics to be discussed at future meetings.

Policy Considerations

Only the items on the agenda can be discussed.

Budgetary Considerations

None.

Staff Recommendations

None.



City of Sachse, Texas

Legislation Details (With Text)

File #:	17-4047	Version:	1	Name:	Executive Session for purchase or sale of real Property
Type:	Agenda Item	Status:		Status:	Agenda Ready
File created:	10/19/2017	In control:		In control:	Economic Development Corporation
On agenda:	10/25/2017	Final action:		Final action:	
Title:	The Economic Development Corporation shall convene into Executive Session pursuant to the Texas Government Code, Section §551.072: Deliberation of the purchase, sale and license of real property generally located in mid-west part of the City of Sachse.				
	Consider any action as a result of Executive Session.				

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

The Economic Development Corporation shall convene into Executive Session pursuant to the Texas Government Code, Section §551.072: Deliberation of the purchase, sale and license of real property generally located in mid-west part of the City of Sachse.

Consider any action as a result of executive session.

Background

This agenda item is provided for the Economic Development Corporation Board to meet in executive session to deliberate the purchase, sale, and license of real property generally located in mid-west part of the City, in accordance with Texas Government Code.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Conduct Executive Session and take any action appropriate.



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4046 **Version:** 1 **Name:** Executive Session pursuant to Texas Gov Code Section 551.087
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: The Economic Development Corporation shall convene into Executive Session pursuant to Texas Government Code Section §551.087: Deliberation regarding economic development incentive for retail or commercial business projects seeking to locate or expand within the City of Sachse.

Consider any action as a result of Executive Session.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Title

Executive Session pursuant to Texas Government Code Section §551.087 Deliberation of Economic Development Negotiations: Deliberation regarding economic development incentive for retail or commercial business projects seeking to locate or expand within the City of Sachse.

Consider any action as a result of Executive Session.

Background

Executive Session is for the purpose of discussion.

Policy Considerations

There is no action taken during Executive Session.

Budgetary Considerations

None.

Staff Recommendations

None.



City of Sachse, Texas

Legislation Details (With Text)

File #: 17-4048 **Version:** 1 **Name:** Recognize and Thank Lyndsey Monahan for service
Type: Agenda Item **Status:** Agenda Ready
File created: 10/19/2017 **In control:** Economic Development Corporation
On agenda: 10/25/2017 **Final action:**
Title: Recognize and thank outgoing SEDC Board Member Lyndsey Monahan for her service on the SEDC Board of Directors.
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Title

Recognize and thank outgoing SEDC Board Member Lyndsey Monahan for her service on the SEDC Board of Directors.

Background

SEDC Board Member Lyndsey Monahan has served on the Board for two years and is resigning from her position.

Policy Considerations

None.

Budgetary Considerations

None

Staff Recommendations

None.