

FY 20-21
Municipal Funds Investment Policy
City of Abernathy

The City Council for the City of Abernathy hereby adopts the following policy in regard to the investment of Municipal funds:

1. Designated Investment Officers

The City Council hereby designated the following persons as investment officers for the city's funds:

1. City Manager, Primary Investment Officer
2. Mayor, Secondary Investment Officer
3. Mayor Pro-Tem, Secondary Investment Officer

In absence of the City Manager as the Primary Investment Officer the persons designated herein as Secondary Investment Officers will perform the duties as investment officers.

2. Investment by Non-Designated Officers or Employees

Unless authorized by law, a person may not invest or manage the municipal's funds without first having obtained express written authorization from the City Council to do so.

3. Terms of investment Officer

Designated Investment Officer terms are continuous until either such authority is rescinded by the City Council or the employee or officer's employment has been terminated.

4. Limitations of the Investment Officers

An Investment Officer who has a personal business relationship with an entity to sell an investment to the city shall file a statement disclosing such business interest.

An Investment Officer who is related within second degree of affinity or consanguinity, as determined by law, to an individual seeking to sell as investment to the city shall file a statement disclosing such relationship.

Such Statement must be filed with the City Council and with the Texas Ethics Commission.

5. List of Authorized Investments and Maturity Dates

- a. Certificates of Deposit, maximum 12 months investment without prior approval from the City Council for a longer-term investment.
- b. U.S. Treasury Bills, maximum 12 months investment without prior approval from the City Council for a longer-term investment.
- c. Any Legal Type of Investment authorized under the Public Investment Act of 1995 including local government investment pools which the City Council specifically and expressively authorizes the City's Investment Officer to make.

5b. Unauthorized Investments

Any Investment not specifically authorized by this policy not authorized unless such is required by law.

6. Annual Compliance Audits

In conjunction with the city's annual audit the City shall perform a compliance audit of management controls of investment and adherence to the entities investment policy.

7. Annual Review of Investment Policy

The City Council shall review its investment policy and investment strategies at least annually.

8. Reports

Investment Officers are to provide the City Council with periodic reports regarding the city's investments. Such reports will be in a manner set forth in the Public Investment Act of 1995. In Addition, Investment Officers shall file any other reports that council may request.

9. Procedures for Handling Solicitations to Sell Investments to the City

- a. A written copy of the city's investment Policy shall be presented to the person requesting authority to sell investments to the city.
- b. The registered principal of the business organization seeking to sell an authorized investment to the city shall:
 1. Execute a written document which states that such principal has received and thoroughly reviewed the investment policy; acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.
- c. The city's Investment Officer does not have the authority to buy any securities from any person who has not provided the city with such documents.

10. Standard of Care

Investments shall be made with judgement and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise. Investment are not to be made of speculative purposes but rather for investment, considering probable safety of capital and to probable income to be derived. Investment of funds shall be governed by the following objectives, in order of priority:

1. Preservation and safety of the principal;
2. Liquidity; and
3. Yield

11. Training

Designated Investment Officer are required to comply with training requirements as provided in the Public Finds Act of 1995.

12. Investment Strategies

General Funds

Investment shall be made in a matter that:

1. Provides for the maximum interest income possible while making prudent investments
2. To safeguard the principal invested
3. To ensure investments are made to mature at appropriate times to meet the City's financial obligations, and carry out the city's day-to-day operations.

Water Funds

Investment of water/sewer funds will utilize the same strategies as outlined to the for the General Funds Investment.

General Obligation Bonds and Revenue Bonds

Investment of funds to general obligation bond issues or water/sewer revenue bonds, and /or other bond issues will be made in accordance with any contractual agreements entered by the City of Abernathy.

This policy adopted by the City Council for the City of Abernathy, Texas, on the 12th day of August 2019.

Lindsey Webb, Mayor
City of Abernathy, Texas

Attest:

Krista Adames, City Secretary
City of Abernathy, Texas