

**RESOLUTION NO. R-08-23**

**A RESOLUTION AMENDING THE CITY OF PALESTINE INVESTMENT POLICY TO COMPLY WITH THE TEXAS PUBLIC FUNDS INVESTMENT ACT; PROVIDING REVIEW OF THE INVESTMENT POLICY AS REQUIRED BY LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS,** Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act," requires the City to adopt an investment policy by rule, order, or resolution; and

**WHEREAS,** it is the policy of the City of Palestine, Texas ("City") to administer city funds and facilitate the investment of those funds at the highest possible level of public trust and in accordance with the Texas Public Funds Investment Act and other applicable law; and

**WHEREAS,** the City Council of the City of Palestine, Texas ("City Council") has previously adopted policies regarding the administration of city funds and the investment of city funds; and

**WHEREAS,** the Public Funds Investment Act requires the Investment Officer of the City to attend investment training; and

**WHEREAS,** the City's Investment Officer has attended an investment training course, as required by the Public Funds Investment Act; and

**WHEREAS,** the City Council has determined that the City's investment policies should be reviewed, amended, and updated; and

**WHEREAS,** the attached investment policy and incorporated revisions comply with the Public Funds Investment Act, as amended, and authorize the investment of the City's funds in safe and prudent investments.

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

**SECTION 1.** The foregoing recitals are incorporated into this Resolution by reference as findings of fact as if expressly set forth herein.

**SECTION 2.** The City of Palestine has complied with the requirements of the Public Funds Investment Act, and the Investment Policy, as amended, attached hereto as "Exhibit A," is hereby adopted as the investment policy of the City effective February 27, 2023.

**SECTION 3.** The City of Palestine hereby adopts the approved Brokers and Dealers list which is attached as an addendum to the Investment Policy.

**SECTION 4.** Should any section, paragraph, sentence, clause, phrase or word of this resolution be declared unconstitutional or invalid for any purpose, the remainder of this ordinance shall not be affected thereby.

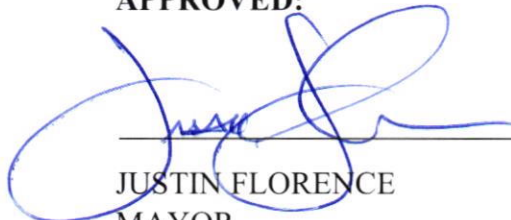
**SECTION 5.** The City Secretary is hereby directed to publish a caption of this resolution that summarizes its purpose and penalty, as provided in Section 52.011 of the Texas Local Government Code.

**SECTION 6.** This resolution shall take effect immediately upon its passage and publication.

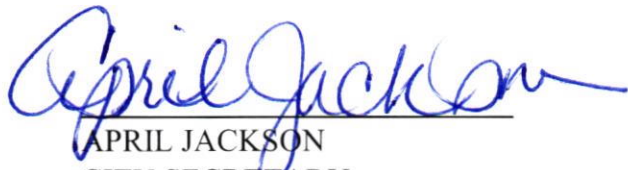
**SECTION 7.** It is officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

**PASSED, APPROVED, and ADOPTED,** by the City Council of the City of Palestine, Texas, on this the 27th day of February, 2023.

**APPROVED:**

  
\_\_\_\_\_  
JUSTIN FLORENCE  
MAYOR

**ATTEST:**

  
\_\_\_\_\_  
APRIL JACKSON  
CITY SECRETARY

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
REZZIN PULLUM  
CITY ATTORNEY





City of Palestine Texas  
Investment Policy

City of Palestine  
Finance Department  
504 N. Queen St.  
Palestine, Texas 75801

- I. PURPOSE.....3
- II. GOVERNING AUTHORITY .....3
  - A. Public Funds Investment Act.....3
  - B. Local Governance.....3
  - C. Trained Staff.....3
- III. SCOPE.....3
  - A. Included Funds .....3
  - B. Excluded Funds.....3
  - C. Pooled Cash.....3
- IV. OBJECTIVES .....4
  - A. Suitability .....4
  - B. Safety .....4
  - C. Liquidity .....4
  - D. Marketability .....4
  - E. Diversification .....4
  - F. Yield .....4
- V. STANDARDS OF CARE .....4
  - A. Prudence .....4
  - B. Ethics and Conflicts of interest .....4
- VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES AND BROKER/DEALERS .....5
- VII. COMPETITIVE TRANSACTIONS .....6
- VIII. SAFEKEEPING AND CUSTODY .....6
  - A. Delivery vs. Payment.....6
  - B. 3<sup>rd</sup> party custodians.....6
- IX. INTERNAL CONTROLS.....6

- X. AUTHORIZED AND SUITABLE INVESTMENTS .....7
  - A. Permitted Investments .....7
    - 1. Obligations of the United States.....7
    - 2. Obligations of State of Texas .....7
    - 3. US- and State-guaranteed debt.....7
    - 4. Certificates of Deposit .....7
    - 5. Repurchase Agreements.....7
    - 6. Bankers Acceptances.....7
    - 7. Commercial Paper .....7
    - 8. Government Pools.....8
    - 9. Collateralized Bank Accounts .....8
  - B. Prohibited Investments .....8
- XI. DIVERSIFICATION .....9
- XII. MAXIMUM MATURITIES .....9
- XIII. COLLATERAL .....9
- XIV. PERFORMANCE STANDARDS .....10
  - A. Benchmark .....10
  - B. Downgraded Securities.....10
- XV. REPORTING AND DISCLOSURE.....10
  - A. Quarterly Reports.....10
  - B. Annual Reports .....10
  - C. Annual Audit.....11
- XVI. INVESTMENT STRATEGY .....11
- XVII. REVIEW, APPROVAL AND ADOPTION .11
- XVIII. GLOSSARY .....11

ADDENDA:

- Public Funds Investment Act (2256) and Public Funds Collateral Act (2257) .....16
- Approved Broker Dealer List .....17
- Broker Dealer Questionnaire .....18