

TOWN OF ADDISON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF ADDISON, TEXAS FINDING THAT THE CITY COUNCIL OF THE TOWN HAS REVIEWED THE TOWN'S INVESTMENT POLICIES AND INVESTMENT STRATEGIES, AND PROVIDING FOR CHANGES THERETO AS SET FORTH HEREIN; AMENDING SECTION 2-210 OF THE CODE OF ORDINANCES REGARDING THE MAXIMUM LIMITS AS A PERCENTAGE OF THE TOTAL INVESTMENT PORTFOLIO FOR THE CATEGORY OF CERTIFICATES OF DEPOSIT, AND AMENDING SECTION 2-210 OF THE CODE OF ORDINANCES REGARDING THE MINIMUM INVESTMENTS TO BE HELD IN U.S. TREASURY AND AGENCY SECURITIES AND REPURCHASE AGREEMENTS BACKED BY THOSE SECURITIES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas ("City") has adopted a written investment policy and a separate written investment strategy in accordance with Section 2256.005, Tex. Gov. Code, and the policy and the strategy are included in Chapter 2, Article IV, Division 3 of the Code of Ordinances of the City; and

WHEREAS, Section 2256.005(e) provides that the governing body of an investing entity must review its investment policy and investment strategies not less than annually, and adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies, and the written instrument must record any changes made to either the investment policy or investment strategies.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Investment Policy, Investment Strategy Reviewed. The City Council of the Town of Addison, Texas has reviewed the City's investment policy and investment strategy included in Chapter 2, Article IV, Division 3 of the Code of Ordinances of the City. The only changes to the same are included in Section 2 of this Ordinance, below.

Section 2. Amendments. The Code of Ordinances ("Code") of the City is amended as set forth below, and all other chapters, articles, divisions, sections, phrases and words of the Code are not amended hereby (additions to the Code are underlined; deletions are ~~struck-through~~):

A. Section 2-210 (investment limits) of the Code is amended in part by amending subsection (b), by deleting subsection (e) in its entirety, and by relettering subsection (f) as subsection (e), so that the said Section 2-210 shall read as follows:

- (a) It is the policy of the Town to avoid concentration of assets in a specific maturity, a specific issue, or a specific class of securities, with the exception of U.S.

Treasury issues listed in subsection 2-207(1). The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets.

- (b) The Town will not exceed the following maximum limits as a percentage of the total portfolio for each of the categories listed below:

Categories	Percentage
Money market funds as outlined in subsection 2-207(8)	20
Certificates of deposit	50 30
Commercial paper	30
Bankers' acceptances	30
Local government investment pools as authorized in subsections 2-207(8) and (10)	40
State government investment pools as authorized in subsection 2-207(9)	70
Instrumentality securities described in subsection 2-207(2)	70

- (c) In addition to the limitations set forth above, the Town's investment in any single money market fund shall never exceed ten percent of the total assets of the money market fund.
- (d) The CFO and investment officers shall evaluate how each security purchased fits into the Town's overall investment strategy.
- ~~(e) The amount of investments in U.S. Treasury and Agency Securities and Repurchase Agreements backed by those securities, as defined in subsections 2-207(1), (3) and (7), shall at no time be less than 30 percent of the total portfolio. There shall be no maximum limits on these investments.~~
- ~~(e)~~(f) Bond proceeds shall be exempt from the maximum limitation stated above for State government investment pools, but only for the period of time required to develop a comprehensive draw schedule for the project for which the proceeds are intended, the maximum being 60 days, at which time the funds representing bond proceeds must be prudently diversified.

Section 3. Recitals. The above and foregoing recitals to this Ordinance are true and correct and are incorporated into and made a part of this Ordinance for all purposes.

Section 4. Savings; Repealer. This Ordinance shall be cumulative of all other ordinances of the City and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Provided, however, that the repeal of such ordinances or parts of such ordinances, and the amendments and changes made by this Ordinance, shall not affect any right, property or claim which was or is vested in the City, or any act done, or right accruing or accrued, or established, or any suit, action or proceeding had or commenced before the time when this Ordinance shall take effect; nor shall said repeals, amendments or changes affect any offense committed, or any penalty or forfeiture incurred, or any suit or prosecution pending at the time when this Ordinance shall take effect under any of the ordinances or sections thereof so repealed, amended or changed; and to that extent and for that purpose the provisions of such ordinances or parts of such ordinances shall be deemed to remain and continue in full force and effect.

Section 5. Severability. The provisions of this Ordinance are severable, and if any section, subsection, sentence, paragraph, phrase, word, or provision of this Ordinance or the application of any section, subsection, sentence, paragraph, phrase, word, or provision hereof to any person, firm, corporation, entity, situation or circumstance is for any reason adjudged invalid or held unconstitutional by the valid judgment or decree of a court of competent jurisdiction, the same shall not affect the validity of any other section, subsection, phrase, word, or provision of this Ordinance or the application of any other section, subsection, sentence, paragraph, phrase, word, or provision to any person, firm, corporation, entity, situation or circumstance, and the City Council declares that it would have adopted the valid portions of this Ordinance adopted herein without the invalid or unconstitutional section, subsection, sentence, paragraph, phrase, word, or provision, and to this end the remainder of this Ordinance shall remain in full force and effect.

Section 6. Effective Date. This Ordinance shall become effective from and after its passage and approval and its publication as may be required by law, including but not limited to the City Charter and ordinances.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the ____ day of _____, 2014.

Todd Meier, Mayor

ATTEST:

By: _____
Matt McCombs, City Secretary

APPROVED AS TO FORM:

By: _____
John Hill, City Attorney