

**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 2-216 OF THE CODE OF ORDINANCES REGARDING THE MINIMUM MARGIN OF COLLATERAL AS A PERCENTAGE OF ANY AND ALL PRINCIPLE AND INTEREST OF SECURITIES HELD BY THE TOWN; 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; and

**WHEREAS**, the Texas Legislature, during its 83<sup>rd</sup> regular session (2013), adopted Senate Bill No. 581 that amended portions of Chapter 2257 of the Texas Government Code (the Public Funds Collateral Act); and

**WHEREAS**, the City Council has reviewed the City's investment policy and investment strategy, and, in accordance with Senate Bill No. 581, makes changes thereto as set forth in this Ordinance.

**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 2-216 (Collateral requirements) of the Code is amended in part to read as follows:

~~Any deposits exceeding FDIC insurance limits shall be fully collateralized by~~ Any and all deposits, including both principal as well as any and all interest that is directly applied to the security, shall be collateralized at the minimum margin of 102%, less applicable FDIC insurance, over the life of the security. Deposits shall be collateralized by securities listed in items "a" and "b" below, and the collateral shall be held by a third party custodian bank approved by the Town.

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: \_\_\_\_\_  
Chelsea Gonzalez, City Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Brenda McDonald, City Attorney