

RESOLUTION #378

CITY OF HIGHLAND HAVEN

A RESOLUTION OF THE CITY OF HIGHLAND HAVEN, TEXAS, AUTHORIZING PARTICIPATION IN THE TEXPOOL INVESTMENT POOL, DESIGNATING AUTHORIZED REPRESENTATIVES, AND ADOPTING INTERNAL CONTROLS FOR TRANSFERS

WHEREAS, the City of Highland Haven seeks to manage public funds prudently in accordance with the Texas Public Funds Investment Act (Texas Government Code Chapter 2256); and

WHEREAS, TexPool, administered by the Texas Treasury Safekeeping Trust Company, provides a safe, liquid, and compliant investment option for local governments; and

WHEREAS, establishing consistent investment accounts across all major funds and implementing internal controls will enhance stewardship of public resources;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN, TEXAS:

Authorization to Participate: The City is authorized to participate in TexPool and open a dedicated TexPool account for the Solid Waste Fund (in addition to existing accounts for the General Fund and Water Fund).

Authorized Representatives: The following individuals are designated as Authorized Representatives for TexPool accounts, with authority to transmit funds for investment, request redemptions, and manage accounts per TexPool requirements:

City Administrator

City Secretary

Mayor

Treasurer (Alderman)

Any additional Board of Aldermen member as designated by future board resolution

Designations may be amended by subsequent board resolution.

Internal Approval Process for Transfers/Redemptions: To ensure strong internal controls and consistency with banking procedures:

All transfers to or from TexPool accounts shall require prior dual approval documented on an internal Transfer Authorization Form.

The form shall be signed by two individuals (ideally one staff member and one elected official, such as the City Administrator or City Secretary, paired with the Mayor, Treasurer, or another Alderman).

The form shall specify the purpose, amount, fund source/destination, and compliance with liquidity guidelines.

One Authorized Representative shall then execute the transaction in TexPool, with the signed form retained in city records for audit and reconciliation.

Fund-Specific Liquidity and Transfer Guidelines:

General Fund: Operating account balances shall be monitored regularly. Funds above the FDIC insurance limit of \$250,000 shall be transferred to the General Fund TexPool account as promptly as practical to limit uninsured exposure, while maintaining a minimum operating balance equivalent to approximately three (3) months of average operating expenditures for liquidity.

Water Fund and Solid Waste Fund: At the beginning of each fiscal year, a minimum balance equivalent to approximately three (3) months of average operating expenditures shall be retained in the respective operating account to support day-to-day and anticipated needs. Any amounts above this minimum shall be transferred to the corresponding TexPool account periodically (e.g., monthly or quarterly, or as cash flow analysis indicates available funds beyond prudent liquidity needs).

Monitoring and Compliance: The designated investment officer shall monitor balances at least monthly, prepare Transfer Authorization Forms as needed, reconcile TexPool statements along with the Treasurer, and ensure compliance with this resolution and the City's Investment Policy (to be reviewed annually).

2.3.4.5.1.

PASSED AND APPROVED on the 17th day of February 2026, at a scheduled meeting by the Board of Aldermen of the City of Highland Haven, Texas.

Olan Kelley

Olan Kelley, Mayor

Attest:

Sarah Collard

Sarah Collard, City Secretary

