THE CITY OF
JARRELL

City of Jarrell
4A - Type A Economic Development Corporation Board
Regular Called Meeting

Jarrell City Hall Council Chambers
161 Town Center Blvd. Jarrell, Texas 76537
Tuesday, August 13, 2024, at 1:30 p.m.

AGENDA

Barry Cryer, President	Tom Slowbe, Vice-President
Ryan Phillips, Secretary	Edward Taylor, Treasurer
JB Stockton, Member	Traci Anderson, Executive Director
Ex-Officio Member: Councilmember Tanya Clawson	

This notice is posted pursuant to the Texas Open Meetings Act. Notice is hereby given that the Jarrell Economic Development Corporation will hold a regular board meeting at the date, time, and place noticed above at which time the following matters will be discussed and acted upon. ALL AGENDA ITEMS ARE SUBJECT TO ACTION BY THE BOARD.

1. CALL MEETING TO ORDER

- Roll Call
- Invocation
- Pledge of Allegiance

2. PUBLIC COMMENTS

Those wishing to speak to the Jarrell Economic Development Corporation must complete the sign in sheet prior to the beginning of the meeting. Please wait to be invited to speak and observe the **three-minute** time limit.

Items not listed on the agenda

An individual may speak; however, the topics presented are considered informational only and may result in placement on a future agenda. No formal discussion or action will be conducted at this time.

Item listed on the agenda

An individual may speak once the regular agenda item is announced for consideration and/or when the speaker is invited to speak.

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3. CONSENT AGENDA ITEMS

All matters listed under this item are considered to be routine by the Jarrell Economic Development Corporation and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired by any Board Member on any item, that item will be removed from the consent agenda and will be considered separately.

3.1. Approval of the July 9, 2024, Jarrell EDC Regular Board Meeting Minutes.

3.2. Approval of the July 23, 2024, Jarrell EDC Special Board Meeting Minutes.

4. REGULAR AGENDA ITEMS

4.1. Discussion, consideration, and possible action regarding approval of an Investment Policy for the Jarrell Economic Development Corporation.

4.2. Discussion, consideration, and possible action regarding the attendance at Retail Live Austin on Thursday, August 29, 2024.

5. UPDATES

- Jarrell EDC Board
  - Next Regular Board meeting – September 10, 2024
- Jarrell Chamber of Commerce
  - Chamber Monthly Luncheon – Wednesday, August 21, 2024, 11:30 am – 1 pm
- Gateway Sign
- Traci upcoming travel for certification (IEDC Conference, Sept 16-18; TEDC Conference, Oct 23-25)

6. FUTURE AGENDA ITEMS

September Meeting – Jordan presentation regarding infrastructure; Workforce Information

7. ADJOURNMENT

CERTIFICATION

I certify that the above Notice of a Meeting of the Jarrell 4A - Type A Economic Development Corporation was posted on the city's website at www.cityofjarrell.com and on the Bulletin Board located at Jarrell City Hall 161 Town Center Blvd., Jarrell, Texas 76537 pursuant to Chapter 551 of the Texas Government Code.

THE CITY OF
JARRELL

Posted on August 9, 2024, at 4:00 p.m.

City of Jarrell, Texas

Draine Peace

Posted by: City Secretary's Office

This meeting will be conducted pursuant to the Texas Government Code Section 551.001 et seq. At any time during the meeting the Jarrell 4A - Type A Economic Development Corporation reserves the right to adjourn into executive session on any of the above posted agenda items in accordance with the sections 551.071 [litigation and certain consultation with attorney], 551.072 [deliberations about real property], 551.073 [deliberations about gifts and donations to city], 551.074 [deliberations on certain personnel matters] or 551.076 [deliberations about deployment/ implementation of security personnel or devices] and 551.087 [Economic Development). The City of Jarrell is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. ***Please call the Municipal Clerk at 512-746-4593 for assistance.***

I certify that the above Notice of a Meeting of the Jarrell 4A - Type A Economic Development Corporation was removed from the Bulletin Board located at Jarrell City Hall – 161 Town Center Blvd. Jarrell, Texas 76537 on:

Removed on _____, 2024 at _____am/pm

City of Jarrell, Texas

_____

Removed by: City Secretary's Office

Date: August 13, 2024

Subject: Consent Agenda Item

Item: 3

3.1 Approval of the July 9, 2024, Jarrell EDC Regular Board Meeting Minutes.

3.2 Approval of the July 23, 2024, Jarrell EDC Special Board Meeting Minutes.

Department: JEDC

Staff Member: Traci Anderson

Justification: Approval of minutes

Funding:

Cost: N/A

Source of Funds: N/A

Outside Resources: N/A

Background Information: N/A

Public Comment: N/A

Supporting Documentation:

July 9, 2024 Meeting Minutes

July 23, 2024 Meeting Minutes

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THE CITY OF
JARRELL

City of Jarrell
4A - Type A Economic Development Corporation Board
Regular Called Meeting

Jarrell City Hall Council Chambers
161 Town Center Blvd. Jarrell, Texas 76537
Tuesday, July 9, 2024, at 1:30 p.m.

MINUTES

Barry Cryer, President - **Present**	Tom Slowbe, Vice-President - **Present**
Ryan Phillips, Secretary - **Present**	Edward Taylor, Treasurer - **Present**
JB Stockton, Member - **Present**	Traci Anderson, Executive Director - **Present**
Ex-Officio Member: Councilmember Tanya Clawson - **Present**	

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1. **CALL MEETING TO ORDER at 1:30 PM.**
   - Roll Call – Quorum Present
   - Invocation – given by Tanya Clawson
   - Pledge of Allegiance

2. **PUBLIC COMMENTS** - None

3. **CONSENT AGENDA ITEMS**
   All matters listed under this item are considered to be routine by the Jarrell Economic Development Corporation and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired by any Board Member on any item, that item will be removed from the consent agenda and will be considered separately.

   3.1. Approval of the May 14, 2024, Jarrell EDC Regular Board Meeting Minutes.

   3.2. Approval of the May 29, 2024, Jarrell EDC Special Board Meeting Minutes.

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3.3. Approval of the June 11, 2024, Jarrell EDC Special Board Meeting Minutes.

Edward Taylor made a motion to accept the consent agenda as presented. Second by JB Stockton. The motion was approved by a unanimous vote.

4. REGULAR AGENDA ITEMS

4.1. Discussion, consideration, and possible action regarding the Jarrell Economic Development FY 24-25 Budget.

Executive Director Anderson presented the proposed FY 24-25 Budget.

Anderson stated she was showing approximately $420,000 for sales tax but will ensure this is in line with the city projections. The Board had questions regarding whether the city was doing a COLA increase, if there had been any decisions on the proposed administrative or lease agreements with the city, office space inside or outside city hall, desire for additional codes.

No action was taken.

4.2. Discussion, consideration, and possible action regarding adding a $5,000 amendment to the existing Scope of Work with TXP related to the Jarrell Tax Increment Reinvesment Zone (TIRZ).

Executive Director Anderson presented the item and stated TXP was requesting an additional $5,000 due to services rendered outside the original Scope of Work. There have been additional discussions with TXP on a Chp. 311 vs 312, additional questions on each of the chapters and how they pertain to what we currently have. There have been additional meetings with the Executive Director and Board members along with the city. The EDC original agreement was for $45,000, so this would bring the total to $50,000. Any additional work on the TIRZ aside from the By-laws, current finance plan and TIRZ Board meeting to approve would require additional Scope of Work and Services.

Tom Slowbe made a motion to table the item until the next called meeting. Second by Ryan Phillips. The motion was approved by a unanimous vote.

4.3. Discussion, consideration, and possible action regarding the Jarrell EDC attending the Battery Tech Show / Supplier visit trip with the Wilco EDP September 21-28, 2024.

Anderson stated this was to take a mission trip and attend a battery show with the Wilco Economic Development Partnership. The Board discussed many questions around what battery suppliers needs are and directed Anderson to report back on answers to the questions.

Tom Slowbe made a motion to table the item until the next called meeting. Second by JB Stockton. The motion was approved by a unanimous vote.

President Barry Cryer called for a 5 minute break at 2:28 pm. Reconvened the meeting at 3:33 pm.

5. **UPDATES – Anderson gave updates on the following.**
   - Jarrell EDC Board – **there will also be a special called meeting on July 23, 2024**
     - Next Regular Board meeting – August 13, 2024
   - Jarrell Chamber of Commerce
     - Chamber Monthly Luncheon – Wednesday, July 24, 2024, 11:30 am – 1 pm – Speaker: Kristine Warren, Managing Attorney with the law firm of Warren Law, P.C., will be speaking on setting up a business for success.
   - Gateway Sign – **awaiting city attorney to review changes to the agreement**

6. **ADJOURNED ITNO EXECUTIVE SESSION at 2:30 PM.**
The Jarrell EDC will recess its open meeting and adjourn into Executive Session, pursuant to the Texas Government Code, Chapter 551, to deliberate the following:

6.1. **Section 551.087** to deliberate on Economic Development negotiations. (1) Labatt Food Service, LLC

7. **RECONVENED INTO OPEN SESSION at 2:45 PM.**
The Jarrell EDC Board of Directors reconvenes into open session to discuss, consider, and/or take any action necessary related to any of the items noticed for discussion during executive session.

7.1. Discussion, consideration, and possible action to approve a non-binding Letter of Intent with Labatt Food Service, LLC.

Tom Slowbe made a motion to approve a non-binding Letter of Intent with Labatt Food Service, LLC and the Jarrell Economic Development Corporation. Second by Edward Taylor. The motion was approved by a unanimous vote.

8. **FUTURE AGENDA ITEMS**
   - Goals/Expectations; Workforce; Jordan talk about infrastructure; discussion of street sales tax election and potential to have it go toward economic development; vision meeting with the city (industrial/retail, retention/recruitment, target industries, etc)

9. **ADJOURNED AT 3:10 PM.**

Passed and approved on this **13th** day of **August 2024**.

CITY OF JARRELL, TEXAS

Attest:

Barry Cryer, JEDC Board President	Traci Anderson, JEDC Executive Director

THE CITY OF
JARRELL

City of Jarrell
4A - Type A Economic Development Corporation Board
Special Called Meeting

Jarrell City Hall Council Chambers
161 Town Center Blvd. Jarrell, Texas 76537
Tuesday, July 23, 2024, at 1:30 p.m.

MINUTES

Barry Cryer, President - **Present**	Tom Slowbe, Vice-President - **Present**
Ryan Phillips, Secretary - **Present**	Edward Taylor, Treasurer - **Present**
JB Stockton, Member - **Absent**	Traci Anderson, Executive Director - **Present**
Ex-Officio Member: Councilmember Tanya Clawson - **Absent**	

This notice is posted pursuant to the Texas Open Meetings Act. Notice is hereby given that the Jarrell Economic Development Corporation will hold a regular board meeting at the date, time, and place noticed above at which time the following matters will be discussed and acted upon. ALL AGENDA ITEMS ARE SUBJECT TO ACTION BY THE BOARD.

1. **CALL MEETING TO ORDER at 1:30 PM.**
   - Roll Call – Quorum Present
   - Invocation – given by Tom Slowbe
   - Pledge of Allegiance

2. **PUBLIC COMMENTS** - None

3. **REGULAR AGENDA ITEMS**

   3.1. Discussion, consideration, and possible action regarding the Jarrell Economic Development FY 24-25 Budget.

   Executive Director Anderson went over the budget spreadsheet with the Board. This was new compared to what was seen last Board meeting. The City Manager was sent the spreadsheet and had some changes. Executive Director Anderson and Treasurer

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Taylor met to review and had some recommendations to give the city what they wanted and what the EDC wanted with their goals for the year.

Edward Taylor made a motion to accept the FY 24-25 budget as presented. Second by Tom Slowbe. The motion was approved by a unanimous vote.

3.2. Discussion, consideration, and possible action regarding adding a $5,000 amendment to the existing Scope of Work with TXP related to the Jarrell Tax Increment Reinvesment Zone (TIRZ).

Executive Director Anderson stated this was to pay for additional services that have been rendered outside the original scope of services due to changes and questions regarding the TIRZ.

Tom Slowbe made a motion to approve the $5,000 amendment to TXP for services rendered. Second by Edward Taylor. The motion was approved by a unanimous vote.

3.3. Discussion, consideration, and possible action regarding the Jarrell EDC attending the Battery Tech Show / Supplier visit trip with the Wilco EDP September 21-28, 2024.

Executive Director Anderson addressed the questions the Board had from the last meeting. The other communities going do not have rail parks except for Hutto and Taylor. Not all battery companies have hazardous waste. Some only need smaller warehouse spaces, like the Tier II and III companies. Some do not use a lot of water. This would also be meeting with other companies outside the battery show to follow up from Select USA and another conference.

Edward Taylor made a motion to approve the Jarrell EDC Executive Director to go with Wilco EDP to the battery show and mission trip with an amount not to exceed $13,500. Second by Ryan Phillips. The motion was approved by two votes.
Aye – Ryan Phillips and Edward Taylor; Nay – Tom Slowbe; Abstain due to conflict of interest – Barry Cryer

3.4. Discussion, consideration, and possible action regarding the support of the Executive Director of the JEDC being the Chair and Immediate Past Chair of the Jarrell Chamber of Commerce Board of Directors for the term of January 1, 2025 through December 31, 2026.

Executive Director Anderson stated this was on the agenda per the request of the Jarrell Chamber of Commerce. They want to ensure that if taking this position, that the Board will be supportive. They know that a good Chair for a volunteer position must be backed by the employer. The current Chair has been able to do what she has because of her support from her employer.

There was discussion about commitment and time and some concerns shared about the Executive Director being someone who will go all in to make it a success and can both jobs be accomplished without sacrificing one or the other. The Board expressed trust and faith in the capability of the Executive Director and felt that the decision could be made by her on if after the discussion, she felt she could do both jobs.

Edward Taylor made a motion to ensure full support by the Board of Directors for the Executive Director to take on the role of the Chair and Immediate Past Chair of the Jarrell Chamber of Commerce Board if so chosen to do so. Second by Ryan Phillips. The motion was approved by a unanimous vote.

3.5. Discussion, consideration, and possible action regarding moving funds from a maturing CD at Eagle Bank to a 7-month term CD and adding additional funds from the Jarrell EDC General Fund account.

Executive Director Anderson stated the EDC had a CD that was maturing on August 6, 2024. Anderson and Treasurer Taylor met and discussed the option of rolling it into another CD with a higher percentage rate. The current rate is 2.96% and this would be a 4.88%, 7-month term CD.

Taylor mentioned that their could be other investment opportunities but that until we had an Investment Policy, we would not be able to go outside of the CDs.

It was mentioned to see what other banks were offering for percentage rates as well as look at the TML Risk Pool.

Discussion around the general fund account not earning interest and having the opportunity to change that with zero risk to the taxpayer money. Vice-President Slowbe wanted to look at moving $750,000 from the general fund to the new CD.

Tom Slowbe made a motion to roll the account #32 CD into a 7-month CD at a 4.88% interest and adding $750,000 from the general fund. Second by Edward Taylor. The motion was approved by a unanimous vote.

4. **FUTURE AGENDA ITEMS**
   - Investment Policy; Target list and action plan for Korea trip

5. **ADJOURNED at 2:45 PM.**

Passed and approved on this **13th** day of **August 2024**.

CITY OF JARRELL, TEXAS

Attest:

Barry Cryer, JEDC Board President	Traci Anderson, JEDC Executive Director

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Date: August 13, 2024

Subject: Regular Agenda Item

Item: 4.1 Discussion, consideration, and possible action regarding approval of an Investment Policy for the Jarrell Economic Development Corporation.

Department: JEDC

Staff Member: Traci Anderson

Justification: Investment Opportunities

Funding:

Cost: N/A

Source of Funds: N/A

Outside Resources: N/A

Background Information: The JEDC has the authority to invest its funds. The funds are currently either in the general fund or CDs. In order to invest in other opportunities, the EDC must first approve an Investment Policy.

Public Comment: N/A

Supporting Documentation:

City of Jarrell Investment Policy

JEDC Draft Investment Policy

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RESOLUTION NO. 2022-1213-01

Investment Policy
City of Jarrell, Texas

I. Policy Statement

It is the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act (the "Act"). The earnings from investment will be used in a manner that best serves the interests of the City.

II. Scope

This investment policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity. These funds are defined in the City's Comprehensive Annual Financial Report (CAFR) and include:

Certificates of Deposit
Money Market Funds

And any new funds created by the City unless specifically exempted by the City Council and this policy.

III. Objectives and Strategy

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade money market instruments designed to assure the marketability of those investments should liquidity needs arise. To match anticipated cash flow requirements, the maximum weighted average maturity of the overall portfolio man not exceed six (6) months.

Safety of Principal

Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Liquidity

The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Diversification
Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

Yield
The City's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the City's risk constraints and the cash flow needs of the portfolio. "Market rate of return" may be defined as the average yield of the current six-month U.S. Treasury Bill.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance the invoice terms and the management of banking services.

IV. Legal Limitations, Responsibilities and Authority

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statues.

V. Delegation of Investment Authority

The Chief Financial Officer, acting on behalf of the City, is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, wire transfer agreements, banking services contracts and other investment related activities.

The Investment Officer shall designate a staff person as liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and procedures established.

VI. Internal Controls

The Investment Officer shall establish a system of written internal controls which will be reviewed with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the City.

Cash Flow Forecasting
Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VII. Authorized Investments

Acceptable investments under this policy shall be limited to the instruments listed below and as further described in the Public Funds Investment Act.

A. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity;

B. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act: and,

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council.

Competitive Bidding Requirement
All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

Delivery versus Payment
All security transactions entered into by the City shall be conducts on a delivery versus payment (DVP) basis.

VIII. Safekeeping and Collateralization

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the City, an independent third-party financial institution, or the City's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing.

All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third-party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank with the securities pledged.

Collateralization
Collateralization on time and demand deposits over the FDIC insurance coverage of $100,000.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third-party safekeeping agent.

IX. Performance Evaluation and Reporting

The Investment Officer shall submit quarterly reports to City Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent with the statutory requirements.

X. Depositories

The City will designate one banking institution through a competitive process as its central banking services provider at least every three (3) years. This institution will be used for normal banking services including disbursements, collections and safekeeping of securities.

XI. Investment Policy Adoption by City Council

The City's Investment Policy shall be adopted annually by the Council.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JARRELL, TEXAS, that the Jarrell City Council hereby approves this Investment Policy.

RESOLVED, PASSED AND ADOPTED on this 13th day of December, 2022.

THE CITY OF JARRELL

BY:

Patrick Sherek, Mayor

ATTEST:

Dianne Peace, City Secretary

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JARRELL ECONOMIC DEVELOPMENT CORPORATION

PUBLIC FUNDS INVESTMENT ACT
INVESTMENT POLICY

I. GENERAL

The purpose of this document is to set forth specific investment policy and strategy guidelines for the Jarrell Economic Development Corporation, a Texas non-profit corporation (hereinafter referred to as the "EDC"), in order to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. This policy serves to satisfy the statutory requirements of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

II. OBJECTIVES OF INVESTMENT POLICIES

The primary objectives of the EDC's investment program in order of priority shall be preservation and safety of principal, liquidity, and yield. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and Local law.

(a) Safety of Principal. The foremost and primary objective of the EDC's investment program is the preservation and safety of capital of the overall portfolio. Each investment transaction will seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value. The objectives will be to mitigate credit risk and interest rate risk. To control credit risk, investments should be limited to the safest types of securities. Financial institutions, broker/dealers and advisers who serve as intermediaries, shall be pre-qualified by the EDC. The credit ratings of investment pools and individual securities will be monitored to assure compliance with this policy and state law.

To control interest rate risk, the EDC will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and will monitor marketable securities daily. Should an issuer experience a single step downgrade of its credit rating by a nationally recognized credit rating agency within 90 days of the position's maturity, the Investment Officer may approve the holding of the security to maturity.

(b) Liquidity. The EDC's investment portfolio will remain sufficiently liquid to enable the EDC to meet operating requirements that might be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow funding requirements, by investing in securities with active secondary markets and by diversification of maturities and call dates. Furthermore, since all possible cash demands cannot be anticipated, the portfolio, or portions thereof may be placed in money market mutual funds or local government investment pools, which offer same day liquidity for short-term funds.

(c) Yield. The EDC's investment portfolio will be designed with the objective of regularly meeting or exceeding the average rate of return on three (3) month U.S. Treasury Bills.

The investment program will seek to augment returns above this threshold consistent with risk constraints identified herein, cash flow characteristics of the portfolio and prudent investment principles. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Marketable securities shall not be sold prior to maturity with the following exceptions:

(1) A security with declining credit may be sold early to minimize loss of principal.

(2) A security swap that would improve the quality, yield or target duration in the portfolio.

(3) Liquidity needs of the portfolio require that the security be sold.

(4) If market conditions present an opportunity for the EDC to benefit from the sale.

Funds held for future capital projects will be invested in such a way as to try to produce enough income to offset inflationary construction cost increases. However, such funds will never be unduly exposed to market price risks that would jeopardize the assets available to accomplish their stated objective, or be invested in a manner inconsistent with applicable federal and state regulations. Yields on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to preserve principal and maximize the yield of these funds in the same manner as all other EDC funds. However, it is understood that if the yield achieved by the EDC is higher than the arbitrage yield, positive arbitrage income will be averaged over a five (5) year period and netted against any negative arbitrage Income and the net amount shall be rebated to the federal government as required by current federal regulations.

(d) Public Trust. All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transactions that might impair public confidence in the EDC's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

III. PRUDENT INVESTOR RULE

(a) The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule as provided in section 2256.006 of the Texas Government Code, as amended. This section states, "[i]nvestments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." Investment officers acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for a specific security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. The EDC will

perform a compliance audit of management controls on investments and adherence to investment policies annually. Pursuant to section 2256.006(b) of the Texas Government Code, as amended, in determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

(1) the investment of all funds, or funds under the EDC's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

(2) whether the investment decision was consistent with the written investment policy of the EDC.

(b) In accordance with section 2256.008 of the Texas Government Code, as amended, the Investment Officers shall attend training consistent with Chapter 2256 of the Texas Government Code. The investment training session shall be provided by an independent source approved by the Investment Review Committee. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

IV. INVESTMENT PORTFOLIO

The EDC shall invest in such investments as are lawful as enumerated in Texas Government Code, Chapter 2256, Public Funds Investment Act, sections 2256.009 through 2256.016. The EDC reserves the right to further restrict the types of investments which can be made. No investment shall be made until it shall have a full and detailed explanation to the Council and approval given therefore by a majority vote of the Council then present. Assets of the EDC may be invested in the following instruments if deemed an authorized investment pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, and includes the following:

(a) obligations of the United States of America, its agencies and instrumentalities;

(b) direct obligations of the State of Texas or its agencies and instrumentalities;

(c) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

(d) other obligations, the principal and interest of which are unconditional guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or the respective agencies and instrumentalities;

(e) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

(f) certificates of deposits issued by a state or national bank domiciled in the state or a savings and loan association domiciled in this state and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor secured by obligations that are described in A through E above;

(g) a fully collateralized repurchase agreement provided the repurchase agreement: has a defined termination date; is secured by obligations described in A above; requires the securities being purchased by the EDC to be pledged to the EDC, held in the EDC's name, and deposited at the time the investment is made with the EDC or with a third party selected and approved by the entity; and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state;

(h) an authorized securities lending program;

(i) an authorized banker's acceptance;

(j) commercial paper which has a stated maturity of 270 days or fewer from the date of its issuance; is rated not less than A-1 or P-1 or an equivalent rating by at least: two (2) nationally recognized credit rating agencies; or one (1) nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state;

(k) an authorized no-load money market mutual fund which is registered with and regulated by the Securities and Exchange Commission; provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); has a dollar-weighted average stated maturity of 90 days or fewer; and includes in its investment objectives the maintenance of a stable net asset value of $1 for each share;

(l) guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract: has a defined termination date; is secured by obligations described in A above, and is pledged to the EDC and deposited with the EDC or with a third party selected and approved by the EDC; and

(m) an eligible investment pool if the Board of Directors of the EDC by resolution authorizes investment in the particular pool.

V. TERM OF INVESTMENTS

The maximum maturity of any individual security the EDC may invest in shall be five (5) years.

VI. MONITORING OF THE MARKET VALUE OF INVESTMENTS

The Investment Officer(s), with the help of Board of Directors of the EDC, as needed, shall determine the market value of each investment and of all collateral pledged to secure deposits of

EDC funds at least quarterly and at a time as close as practicable to the closing of the reporting period for the investments. Such values shall be included on the investment report. The following methods shall be used:

(a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest;

(b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest;

(c) Other investment securities with a remaining maturity of one (1) year or less may be valued in any of the following ways:

    (1) the lower of two (2) bids obtained from securities broker/dealers for such security;

    (2) the average of the bid and asked prices for such investment security as published in *The Wall Street Journal* or *The New York Times*;

    (3) the bid price published by any nationally recognized security pricing service; or

    (4) the market value quoted by the seller of the security or the owner of such collateral.

(d) Other investment securities with a remaining maturity of greater than one (1) year shall be valued at the lower of two (2) bids obtained from securities broker/dealers for such security, unless two (2) bids are not available, in which case the securities may be valued in any manner provided in this section.

VII. MISCELLANEOUS PROVISIONS

For funds invested in a pooled fund group, the maximum dollar-weighted average maturity allowance is two (2) years. This average is subject to change as necessary to maintain the maximum rate of return. Any such change must be approved by a majority vote of the Board of Directors of the EDC then present prior to being made effective.

All transactions, excepting those for mutual funds or investment pool funds, shall be settled on a delivery versus payment basis.

Date: August 13, 2024

Subject: Regular Agenda Item

Item: 4.2 Discussion, consideration, and possible action regarding the attendance at Retail Live Austin on Thursday, August 29, 2024.

Department: JEDC

Staff Member: Traci Anderson

Justification: Local retail recruitment opportunity. This is a great local opportunity to keep the relationships going and Jarrell in front of retailers.

Funding:

Cost: N/A

Source of Funds: N/A

Outside Resources: N/A

Background Information: N/A

Public Comment: N/A

Supporting Documentation: N/A

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Date: August 13, 2024

Subject: Updates

- Jarrell EDC Board
    - Next Regular Board meeting – September 10, 2024
- Jarrell Chamber of Commerce
    - Chamber Monthly Luncheon – Wednesday, August 21, 2024, 11:30 am – 1 pm
- Gateway Sign
- Traci upcoming travel for certification (IEDC Conference, Sept 16-18; TEDC Conference, Oct 23-25)

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Date: August 13, 2024

Subject: Future Agenda Items

September Meeting:

- Jordan presentation regarding infrastructure
- Workforce Information

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