# RESOLUTION NO. 11-15-2022 A

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUNKER HILL VILLAGE, TEXAS, ACKNOWLEDGING REVIEW OF THE PUBLIC FUNDS INVESTMENT POLICY AND THE ADOPTION THEREOF FOR THE CITY OF BUNKER HILL VILLAGE, TEXAS**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUNKER HILL VILLAGE, TEXAS:**

**Section 1.** That the Investment Committee, composed of Mayor Robert P. Lord, Councilmember Susan Schwartz, and City Administrator Karen Glynn met on November 10, 2022 with the Finance Director and the City's Consultant, Valley View Consulting LLC, to provide the annual review of the Public Funds Investment Policy.

**Section 2.** That the Committee agrees and confirms the changes to the City's Investment Policy.

**Section 3.** That the City's Investment Policy attached hereto, are to be made a part hereof for all purposes be, and it is hereby, approved as the official Public Funds Investment Policy of the City of Bunker Hill Village, Texas.

**Section 4.** That the Investment Committee continues to be composed of Mayor Robert P. Lord, Councilmember Susan Schwartz, and City Administrator Karen Glynn.

**Section 5.** The City Secretary is hereby directed to place on said Investment Policy an endorsement, which shall be signed by the City Secretary, which shall read as follows:

> **"The Investment Policy of the City of Bunker Hill Village, Texas, approved by City Council on the 15th day of November 2022."**

Such Investment Policy, as thus endorsed, shall be kept on file in the office of the City Secretary as a public record.

**PASSED, APPROVED, AND RESOLVED** this 15th day of November 2022.

Robert P. Lord, Mayor

**ATTEST:**

Karen Glynn, City Administrator/Acting City Secretary

Attachment A: Investment Policy

# CITY OF BUNKER HILL VILLAGE

**The Investment Policy of the**
**City of Bunker Hill Village, Texas,**
**Approved by City Council**
**On the 15th day of November 2022**

ATTEST:

Karen H. Glynn, Acting City Secretary

# I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

## A. PURPOSE

The purpose of this policy of the City of Bunker Hill Village, Texas (the City) is to comply with the statutory requirements of The Texas Government Code, Chapter 2256, (The Public Funds Investment Act, "PFIA") which requires each entity to adopt a written investment policy regarding the investment of its funds and funds under its control. This policy shall set forth specific investment and strategy guidelines for the City to manage and invest its cash with three objectives, listed in order of priority: safety of principal, liquidity, and yield. This policy will be reviewed and adopted by resolution at least annually according to Section 2256.005(e).

## B. POLICY

It is the policy of the City that the administration of its funds and the investment of those funds shall be managed with a degree of professionalism that is worthy of the public trust. Investments shall be made in a manner which will provide safety of principal, adequate operational liquidity and a risk-appropriate yield. The City will invest in conformance with all applicable state and City statutes governing the investment of public funds, all related Governmental Accounting Standards Board Statements, and other related financial accounting standards. Yield will be secondary to the requirement for safety and liquidity. The earnings from investments will be used in a manner that best serves the public trust and interest of the City.

## C. SCOPE

This investment policy applies to all funds and investments held by the City and accounted for in the City's Annual Financial Report. These funds, as well as funds that may be created from time-to-time, shall be administered in accordance with the provisions of this policy. All funds invested under this policy shall be considered as a pooled group for investment purposes to ensure efficiency and maximum investment opportunity, except for monies as may be stipulated by law such as bond covenants.

Deferred compensation and the retirement system assets the City sets aside or holds for its employees are not subject to this policy.

## D. INVESTMENT COMMITTEE

The City Council hereby creates an Investment Committee composed of the City Administrator, Mayor, and a Council member to be appointed by the Mayor and annually confirmed by the City Council.

The Investment Committee shall meet periodically and include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, acceptable training sources, rate of return on the investment portfolio, and review of compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

## E. DELEGATION OF AUTHORITY

The Finance Officer is designated as the Investment Officer of the City In the event the Finance Officer cannot perform the duties of the Investment Officer, the City Administrator will be designated the acting Investment Officer in the Finance Officer's absence. Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with established procedures and internal controls for the daily operations of the investment program. No other person(s) may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer.

Authority granted to the Investment Officer is effective until rescinded by City Council. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of employees involved in investment activities. The system of controls shall be designed to provide reasonable assurance that the assets of the City are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and
(2) the valuation of costs and benefits requires estimates and judgments by management.

In the event the position of Finance Officer becomes vacant, the City Administrator shall serve as Investment Officer during such vacancy. (Section 2256.005(f))

## F. ETHICS AND CONFLICTS OF INTEREST

Investment Officer(s) shall refrain from personal business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officer(s) who have a personal business relationship with an entity or are related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission and the City Council in accordance with Government Code 2256.005(i).

## G. PRUDENCE

Investments shall be made with judgement and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The determination of whether an Investment Officer has exercised prudence with respect in an investment decision shall be made taking into consideration the investment of all funds rather than a consideration as to the prudence of a single investment. (Section 2256.006)

The Investment Officer(s), and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from the expectations for a specific issuer's credit risk or market price changes are reported in a timely manner to the City Council and that appropriate action is taken to control adverse developments.

## H. INVESTMENT TRAINING

The Investment Officer(s) shall accumulate (a) not less than ten (10) hours of training within twelve (12) months after taking office or assuming duties and (b) not less than eight (8) hours of training every (2) two years, relating to their investment responsibilities. The two-year training cycle coincides with the City's fiscal year. Training must include education as required by the PFIA and include investment controls, security risk, strategy risks, market risks, diversification, and compliance. The training must be provided by an independent source approved by the Investment Committee. (Section 2256.008)

## I. QUALITY AND CAPABILITY OF INVESTMENT MANAGEMENT

It is the City's policy to provide training required by the PFIA for the Investment Officer(s) through courses and seminars offered by independent, professional organizations and associations in order to ensure the quality, capability and currency of investment management. (Section 2256.005(b))

## J. OBJECTIVES

The City strives to invest funds in a manner where the yield is secondary to the safety of principal and liquidity. To accomplish this, the City's principal investment objectives in order of priority are:

(1) Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Investments are limited to the safest types, and pre-qualification is required for broker/dealers, financial institutions, and any investment advisors with which the City will do business.

Investments shall be diversified by type and maturity to eliminate the risk of loss resulting from the concentration of assets in a specific maturity, issuer, or class, as appropriate.

It is the City's full intent, at the time of purchase, to hold all investments until maturity to ensure the return on all invested principal.

(2) Liquidity – The City's portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements. Financial institution deposits, investment pools and no-load money market mutual funds provide daily liquidity and can be utilized as an alternative to fixed maturity investments.

(3) Yield – The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to safety and liquidity objectives.

## K. INVESTMENT STRATEGIES

In accordance with the PFIA, Section 2256.005(d), the governing body shall adopt a separate written investment strategy for each fund or pooled group of funds under the City's control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities of importance:

(1) understanding of the suitability of the investment to the financial requirements of the entity;
(2) preservation and safety of principal;
(3) liquidity;
(4) marketability of the investment if the need arises to liquidate the investment before maturity;
(5) diversification of the investment portfolio; and
(6) yield.

A. GENERAL, ENTERPRISE OR OPERATING-TYPE FUNDS

1. Suitability – Any investment eligible in the investment policy is suitable for General, Enterprise, or Operating-type funds.

2. Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

3. Liquidity – General, Enterprise, or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Demand deposit accounts, money market accounts, short-term investment pools, and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

4. Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement.

5. Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

6. Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

B. CAPITAL PROJECT FUNDS

1. Suitability – Any investment eligible in the investment policy is suitable for Capital Projects Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.

2. Safety of Principal – All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Projects Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.

3. Liquidity – Most capital projects programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term investment pools, and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments.

4. Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement.

5. Diversification – Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then current market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield – Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds. Yields on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. The Investment Officer(s) will seek to preserve principal and optimize the yield of these funds in compliance with current federal regulations.

C. DEBT SERVICE FUNDS

1. Suitability – Any investment eligible in the investment policy is suitable for Debt Service Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.

2. Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

3. Liquidity – Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term

investments pools, and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments.

4. Marketability – Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

5. Diversification – Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

6. Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

D. DEBT SERVICE RESERVE FUNDS

1. Suitability – Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.

2. Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

3. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then current market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

4. Marketability – Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

5. Diversification – Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service

Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

6. Yield – Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

7.

## II. INVESTMENT TYPES

### A. AUTHORIZED INVESTMENTS

Funds of the City may be invested in the following instruments as authorized by the PFIA. While the PFIA authorizes additional investment types, only those instruments listed below are authorized.

A. Financial Institution Deposit Investments
(1) Interest-bearing financial institution deposits that are guaranteed or insured by: the Federal Deposit Insurance Corporation (FDIC) or its successor; or the National Credit Union Share Insurance Fund or its successor.
(2) is secured by obligations in a manner and amount provided by law for deposits of the City, or
(3) is placed in a manner that meets the requirements of the PFIA.

B. Other Obligations
(1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
(2) direct obligations of this state or its agencies and instrumentalities;
(3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; and
(4) 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.

C. Money market funds with limitations described below:
No-load money market mutual fund is authorized if it:
(1) is registered and regulated by the Securities and Exchange Commission;
(2) provides the City with a prospectus and other information required by law;
(3) has a dollar-weighted average stated maturity of 60 days or fewer, and
(4) includes in its investment objectives the maintenance of a stable net asset value of $1.0000 for each share.

D. Local government investment pools (organized in compliance with the PFIA) and specifically authorized by resolution of the City Council. A local government investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA. A local government investment pool created to

function as a money market mutual fund must mark to market daily and, to the extent possible, stabilize at a $1.00 net asset value. The investment pool must be continuously rated no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating.

**B. PROHIBITED INVESTMENTS– Section 2256.009(b)**

The Investment Officer has no authority to use any of the following investment instruments which are strictly prohibited by the PFIA:

(1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
(3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
(4) collateralized mortgage obligations the interest of which is determined by an index that adjusts opposite to the changes in a market index.

Further, the City will not invest in Commercial Paper, including local government investment pools which invest in Commercial Paper, planned amortization classes (PAC), derivatives and other instruments with embedded features, such as swaps, forwards or futures, options, foreign exchange, floaters, interest rate caps, floors, and collars, etc.

**C. INVESTMENTS WITH REQUIRED RATINGS**

Investments with minimum required ratings such as local government investment pools, no-load money market mutual funds, and securities do not qualify as authorized investments during the period the investment does not have the minimum rating. The City shall take all prudent measures that are consistent with this investment policy to liquidate an investment that does not have the minimum rating. (Section 2256.021)

**D. EXEMPTION FOR EXISTING INVESTMENTS**

The City is not required to liquidate investments that were authorized investments at the time of purchase. (Section 2256.017)

## III. INVESTMENT RESPONSIBILITY AND CONTROL

**A. BROKER/DEALERS**

The Investment Committee shall annually review and approve a list of Approved Broker/Dealers as required under 2256.025 of the PFIA.

**B. CERTIFICATION (See Exhibit A)**

In accordance with 2256.005(k), a written copy of this investment policy shall be presented to any local government investment pool or discretionary investment management firm seeking to engage in an investment transaction with the City and shall execute a written instrument substantially to the effect that the registered principal has:

(1) received and thoroughly reviewed the investment policy of the City; and
(2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization:
    a. is dependent on an analysis of the makeup of the City's entire portfolio;
    b. requires an interpretation of subjective investment standards; or
    c. relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The Investment Officer(s) may not acquire any authorized investment described in this investment policy from any business organization (investment pool) who has not delivered to the City such an instrument in substantially the form provided on Exhibit A, according to Section2256.005(l). As a best practice, the investment policy shall also be offered to all investment providers for receipt acknowledgement.

## C. COMPETITIVE ENVIRONMENT

It is the policy of the City to require a competitive environment for all individual security purchases and sales, financial institution time deposit placements and financial institution transaction accounts, and money market mutual fund and local government investment pool selections. The Finance Director shall develop and maintain procedures for ensuring a competitive environment in the investment of the City's fund.

## D. DELIVERY VS. PAYMENT

It will be the policy of the City that all securities shall be purchased using the "Delivery vs. Payment" (DVP) method through the Federal Reserve System or other industry standard system. By so doing, City funds are not released until the City has received the securities purchased. Securities will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited. (Section 2256.005(b)(4)(E))

## E. ELECTRONIC FUNDS TRANSFER

The City may use electronic means to transfer or invest all funds collected or controlled by the City. (Section 2256.051)

## F. DIVERSIFICATION

The City will diversify its investments by security type and issuer, as appropriate. The asset allocation in the portfolio should be flexible and responsive to the outlook for the economy and the markets. Diversification of the portfolio also considers maturity date. In no case shall a single investment transaction be more than 25% of the entire portfolio at the time of purchase, except bond proceeds.

## G. AUDIT CONTROL

The City, in conjunction with its annual audit by an independent auditor, shall have a compliance audit of management controls on investments and adherence to the City's investment policy. (Section 2256.005(m)). Additionally, the City's investment reports

shall be formally reviewed at least annually by an independent auditor, and the results of the review shall be reported to the City Council by that auditor.

## IV. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

### A. INVESTMENT REPORT

In accordance with the PFIA (section 2256.023), the Investment Officer(s) shall prepare and submit to the City Council a written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period. The report must:

(1) describe in detail the investment position of the City on the date of the report;
(2) be prepared jointly by all investment officers of the City;
(3) be signed by each investment officer of the City;
(4) contain a summary statement of each pooled fund group that states the:
(A) beginning market value for the reporting period;
(B) ending market value for the period; and
(C) fully accrued interest for the reporting period;
(5) state the book value and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested;
(6) state the maturity date of each separately invested asset that has a maturity date;
(7) state the account or fund or pooled group fund in the City for which each individual investment was acquired; and
(8) state the compliance of the investment portfolio of the City as it relates to:
(A) the investment strategy expressed in the City's investment policy; and
(B) relevant provisions of the PFIA.

### B. PERFORMANCE STANDARDS

The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, and yield). The portfolio should seek to attain a market rate of return throughout budgetary and economic cycles. To determine portfolio performance, this policy establishes "weighted average yield to maturity" as the standard calculation.

### C. MARKET VALUATION

If applicable, the market value of the portfolio shall be calculated as part of the investment report. The market value of each investment shall be obtained from an independent source. (Section 2256.005(d))

## V. COLLATERAL

### A. COLLATERALIZATION

Collateralization shall be required for all uninsured collected balances, plus accrued interest. In order to anticipate market changes and provide a level of additional protection for all funds, the collateralization level required will be 102% of the principal and interest of the deposit net of FDIC coverage, with the exception of deposits secured with

irrevocable letters of credit which shall be at least equal to 100% of the principal and anticipated accrued interest of the deposit net of FDIC coverage.

A written collateral agreement must establish a perfected security interest in compliance with Federal and State regulations, including:

(1) The agreement must be in writing;
(2) The agreement must be executed by the depository and the City contemporaneously with the acquisition of the asset;
(3) The agreement must be approved by the Board of Directors or authorized Committee of the depository and a copy of the meeting minutes must be delivered to the City; and
(4) The agreement must be part of the depository's official record continuously since its execution.

The City chooses to accept collateral based on the list of investments authorized under the Public Funds Collateral Act. The City reserves the right to accept or reject any proposed collateral at its sole discretion.

Securities pledged as collateral will be held in an account in the City's name by an approved, independent custodian. The custodial agreement is to specify the acceptable collateral, including provisions relating to possession of the collateral, the substitution or release of all or a portion of the collateral, ownership of the collateral, and the method of valuation of the collateral. The custodial agreement must clearly state that the custodian is instructed to release collateral to the City in the event the City has determined that the depository institution has failed to pay on any request, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. The City shall receive a monthly collateral report listing each security, description, maturity, cusip number, par value and market value of each security, and the collateral totals. Collateral shall be reviewed monthly to assure that the market value of the pledged collateral is adequate.

## VI. ANNUAL REVIEW AND ADOPTION

The City Council shall review this investment policy, and the incorporated investment strategies, not less than annually. The City Council shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

**EXHIBIT A**
**CERTIFICATION BY BUSINESS ORGANIZATION**
**As required by Texas Government Code 2256.005(k)**

**CITY OF BUNKER HILL VILLAGE, TEXAS**

This certification is executed on behalf of the City of Bunker Hill Village, Texas (the "City"), and _____ (the "Business Organization"), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and

2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City; and

3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

Qualified Representative of Business Organization

Firm: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

## EXHIBIT B
## City of Bunker Hill Village
## Independent Training Sources

In compliance with the Public Funds Investment Act and the City of Investment Policy, the Investment Committee authorizes the following list of independent training sources to provide Investment Officer education:

American Institute of Certified Public Accountants
Council of Governments
International City/County Management Association
Government Finance Officers Association
Government Finance Officers Association of Texas
Government Treasurers' Organization of Texas
Texas City Management' Association
Texas Municipal Clerks Association
Texas Municipal League
TEXPO
University of North Texas Center for Public Management

**EXHIBIT C**
**City of Bunker Hill Village**
**Authorized Broker/Dealers**

In compliance with the Public Funds Investment Act and the City Investment Policy, the Investment Committee authorizes the following list of qualified broker/dealers to engage in investment transactions with the City of :

Texas CLASS Investment Pool
FHN Financial
Multi Bank Securities
RBC Capital Markets
Rice Financial Products
Wells Fargo Securities