



Lavon Economic Development Corporation Meeting Agenda

120 School Rd.
Lavon, TX 75166 Ph. (972-843-4220)

Monday July 10, 2023, 7:00 PM

at

Lavon City Hall
City Council Chambers
120 School Rd
Lavon, Texas

NOTICE OF ATTENDANCE

NOTICE is hereby given that members of the Lavon City Council, Lavon Planning and Zoning Commission, Tax Increment Financing Zone # 1 Board, Parks & Recreation and/or Infrastructure Facilities Commission may attend at the Lavon Economic Development Corporation Board Meeting July 10, 2023, at 7:00 PM held at the Lavon City Hall.

The meeting agenda and packet are posted online at www.lavonedc.com

- 1. Presiding Officer to call the Economic Development Corporation Board meeting to order and announce that a quorum is present.**
- 2. Pledge of Allegiance and Invocation**
- 3. Items of interest and communications.**
Members of the Economic Development Corporation Board can notify others of community events, functions, and other activities.
- 4. Consent Agenda ***
Consent items are considered routine or non-controversial and will be voted on in one motion. unless a separate discussion is requested by a board member
 1. Approval of the June 12,2023 board meeting minutes
- 5. Public Comments**
Citizens may provide comments. There is a 3-minute time limit per person. The board's response to items not on the agenda may be to request items be placed on a future agenda or referred to the executive director.
- 6. Discussion & Action**
 - A. Discussion and action of board financials including a 2023-2024 proposed budget to send to city council.
 - B. Discussion and action on the EDC investment policy.
 - C. Discussion and action on Economic Development Actions, prospects and inquiries.



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D. Discussion on promotion to update/replace the coupon promotion.

7. Setting future meetings and agenda

The Economic Development Corporation Board members and staff may request items be placed on a future agenda or request a special meeting be called.

8. Presiding Officer to adjourn the Economic Development Corporation Board meeting.

Notes to the Agenda:

1. Items marked with an * are consent items considered to be non-controversial and will be voted on in one motion unless a Board member asks for separate discussion.
2. The Board reserves the right to recess into executive session under Sections 551.071 – 551.088 of the Texas Government Code (Texas Open Meetings Act) concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.

This is to certify that the agenda was posted in the notification cabinet at City Hall at 120 School Road, the city’s website at www.cityoflavon.org, the Lavon EDC website at www.lavonedc.com and on the city’s bulletin board on or before July 7, 2023 by 7:00PM

By: *Camela M. M...* here

POSTED THIS day July 7, 2023, before 7PM



Lavon Economic Development Corporation Meeting Minutes

June 12, 2023

- 1. Kay Wright, President called the Economic Development Corporation Board meeting to order at 7:01 p.m. at City Hall and announced that a quorum was present.**

Present: Place One, Kay Wright, President
Place Two, Manzelle Williams, Secretary -arrived at 7:10 p.m.
Place Three, Vicki Sanson, Vice President
Place Four, Rachel Dumas, Public Information Officer
Place Five, Joe Serpette, Director

Executive Director Present: Pamela Mundo

Absent: Place Six, John Kell, Treasurer
Place Seven, Jordan Williams

- 2. Pledge of Allegiance & Invocation**

A. President, Kay Wright led the Pledge of Allegiance and Invocation

- 3. Ribbon Cutting for Splash Sanitation, L.L.C.**

A. The ribbon cutting was held in the City Hall parking lot adjacent to the Park.

Splash Sanitation is owned by Kahle Sooter, a local resident. His new business will provide cleaning of trash bins.

- 4. Items of Interest and Communications**

A. President Kay Wright announced that the Babysitters training will be held June 13-14 at City Hall and August 5th is the Back to School Bash 4:30 to 7:30 p.m.

- 5. Consent Agenda**

A. Through a motion of Director Joe Serpette and Director Manzelle Williams providing a second of the motion; the Board of Directors unanimously agreed to approve the meeting minutes of May 8, 2023.

- 3. Public Comments**

A. There was no public comment.

- 4. Discussion and Action**

A. **Discussion on Board financials.** The Board reviewed the Month-to-Month Financial Report. No action was taken.



Lavon Economic Development Corporation Meeting Minutes

- B. Discussion and action on the EDC Purchasing Policy.** Through a motion of Joe Serpette and a second of Rachel Dumas the Board approved the EDC Purchasing Policy.
- C. Discussion on a proposed marketing and listing agreement with Inroads, Realty, Kyndall Misak for the 619 Main Street Property.** Kyndall Misak reviewed the agreement with the Board. Through a motion of Kay Wright and a second of Joe Serpette the Board of Directory approve the marketing and listing agreement.
- D. Discussion and action on Economic Development Actions including review of the ad in the In and Around magazine, suggestions for the back of the utility bill, TEDC meeting in June, North Tx Commission meeting in August and prospects And Inquiries.** Through Board reviewed the actions of the month. The Board generally agreed to placing the LEDC ad on the first month bill and follow up with EDC updates the next month.
- E. Discussion about cottage industries and how we can support them.** A general discuss was held and suggestions offered.
- 5. Setting future meetings and agenda**
- A.** The Economic Development Corporation Board members, after discussion, agreed. that the next meeting would be the July 10, 2023, or as needed, for discussion with prospects.
- 6. President Kay Wright adjourned the Economic Development Corporation Board meeting at 8:26 p.m.**

Duly passed and approved on this ____ day _____, 2023.

Kay Wright, Board President

Manzelle Williams, Secretary

1	GENERAL FUND	Oct 2022 Actual	Nov 2022 Actual	Dec 2022 Actual	Jan 2023 Actual	Feb 2023 Actual	Mar 2023 Actual	April 2023 Actual	May 2023 Actual	June 2023 Actual	July 2023 Outlook	Aug 2023 Outlook	Sept 2023 Outlook	FY 2022-2023 Yr. to Date TOTAL	Actual + Outlook	Official Budget 2022-2023	% of Budget	Budget Adjustment	Draft Budget 23
	Ending Balance	\$ 111,245.05	111,604.31	112,015.09	112,448.23	112,857.01	113,318.66	113,783.94	114,285.16	114,285.16	110,523.17	110,726.09	110,951.39						
	Total LEDC Funds	\$ 410,437.17	431,459.13	427,140.11	448,937.10	465,331.80	478,939.17	491,120.71	514,906.36	529,098.39	426,277.66	415,215.71	207,944.94						

LAVON

ECONOMIC DEVELOPMENT CORPORATION

Investment Policy

Approved by the Lavon Economic Development Corporation

_____, President

_____, Secretary

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I. POLICY STATEMENT

It is the policy of the Lavon Economic Development Corporation (LEDC) 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 LEDC and conforming to the Public Funds Investment Act (the "Act") Texas Local Government Code 2256.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the LEDC 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 LEDC.

III. OBJECTIVES AND STRATEGY

It is the policy of the LEDC 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 is 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 may not exceed 12 months for the LEDC.

Safety of Principal

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

Liquidity

The LEDC'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 reasonable 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.

Yield

The LEDC's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the LEDC's risk constraints and the cash flow needs of the portfolio. The LEDC will use the average yield of the six month U.S. Treasury Bill during the same period as its benchmark for risk.

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 LEDC shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with 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 2256, Texas Local Government Code, and (the Act"). All investments will be made in accordance with this statute. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits.

V. DELEGATION OF INVESTMENT AUTHORITY

The LEDC Board of Directors will act to designate the Investment Officer for the LEDC. The LEDC will designate the Treasurer acting on behalf of the LEDC Board of Directors, as the Investment Officer and will be responsible for investment decisions and activities. The LEDC Board of Directors retains ultimate fiduciary responsibility. The Investment Officer is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures.

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.

All participants in the investment process shall seek to act responsibly as

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

Authorization Resolution

The LEDC Board of Directors action designating the Investment Officer authorizes the Investment Officer to engage in investment transactions, deposit, withdraw, and wire funds for investments, transfer and manager funds on behalf of the LEDC.

Limitation of Personal Liability

The Investment Officer, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgment and care, under circumstance 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 expected income to be derived."

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President and Executive Director in the case of the LEDC any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the LEDC, particularly with regard to the time of purchases and sales.

VIII. INTERNAL CONTROLS

The Investment Officer shall establish written internal controls to be reviewed annually with the independent auditor of the LEDC. 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.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the LEDC. 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.

IX AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act. If additional types of securities are approved for investment by public funds by State statute, they will not be eligible for investment by the LEDC until this policy has been amended and the amended version adopted by the LEDC.

- A. Obligations of the United States Government, its agencies and instrumentalities, not to exceed two years to stated maturity, excluding mortgage-backed securities;
 - B. Fully insured or collateralized certificates of deposit from any 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, to include certificates of deposit purchased through the CDARS program with a Texas bank;
 - C. Repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Master Repurchase Agreement is on file with the LEDC and the counterparty bank or primary dealer as defined by the Federal Reserve. Flex repurchase agreements used specifically for capital projects may extend beyond two years but only to match the expenditure plan of the projects;
 - D. AAA-rated, no-load, SEC registered money market funds; and
 - E. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the LEDC shall be conducted on a delivery versus payment (DVP) basis assuring that no LEDC funds are released before the security is received by the custodian.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by the LEDC will be made through either the LEDC's banking services bank or approved broker/dealer. The Lavon City Council list of broker/dealers shall be the LEDC list of approved broker/dealers.

Securities broker/dealers must meet certain criteria determined by the Investment Officer. The following criteria must be met by those firms on the list:

- Proof of certification by the Financial Industry Regulatory Association (FINRA) and provision of FINRA CRD number
- An audited financial statement for the most recent period
- Proof of current registration with the Texas State Securities Commission.

Every broker/dealer and bank with which the LEDC transacts business will be provided a copy of this Investment Policy for review to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to control that only authorized securities are sold to the LEDC.

XI. DIVERSIFICATION AND MATURITY LIMITATIONS

It is the policy of the LEDC to diversify its investment portfolio, Invested funds shall be diversified to minimize risk or loss resulting from the over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed.

The investment Officer shall be required to diversity maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow date will normally increase yield, will lock in higher yields, and reduce the need to see securities prior to maturity, this reducing market risk. Unless matched to specific requirement, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. The investment Officer may not invest any portion of the portfolio for a period greater than two (2) years except in a flex repurchase agreement tied to the expenditure schedule of a bond fund.

XII. SAFEKEEPING AND

COLLATERALIZATION of LEDC

Owned Securities

The laws of the State and this Policy require that all purchased securities

be cleared to safekeeping on a delivery versus payment (DVP) basis and

be held in safekeeping by an independent third party financial institution,

or the LEDC's banking services depository.

All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the LEDC listing each specific security, rate, description, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the LEDC or pledged to the LEDC.

Securities Pledged as Collateral to the LEDC

All securities pledged to the LEDC for all bank time 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 from which the securities are pledged.

Collateralization is required on all time and demand deposits over the FDIC insurance coverage. 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 custodian. The custodian shall provide a written monthly report directly to the LEDC listing all pledged collateral by description and par at a minimum.

Authorized Collateral

The only types of collateral authorized by the LEDC are:

Obligations of the US Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.

Obligations of a state or subdivision, city, county, school district of any state rated A or better by two nationally recognized rating agencies.

If the depository proposes a collateral pooling program, the Investment Officer will review and evaluate the program's risk and cost to the LEDC for presentation to the Board. The pooling of collateral allows a bank to create a pool of securities for collateral purposes for multiple governments and will result in securities pledged directly/specifically to each government.

XIII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit an annual report to the LEDC Board of Directors Council, at a minimum, containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent and statutory requirements. All reports shall be in compliance with the Act.

Market prices for market evaluations will be obtained from an independent source.

XIV. DEPOSITORIES

The LEDC will designate the City of Lavon's banking institution which was selected through a competitive process as its central banking services provider. This bank will be used for normal banking services including disbursements, collections, and safekeeping of securities.

Other banking institutions from which the LEDC may purchase certificates of deposit will also be designated as a depository for collateral purposes and shall submit annual financial reports to the LEDC.

XV. INVESTMENT TRAINING

Officer(s) shall complete training as required by the Act.

XVI. INVESTMENT POLICY ADOPTION

The LEDC's Investment Policy shall be reviewed and adopted annually by the LEDC Board of Directors. The written action adopting the Policy shall note any changes to the Policy.