



Lavon Economic Development Corporation Meeting Agenda

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

Monday July 8, 2024, 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, Parks & Recreation and/or Infrastructure Facilities Commission may attend at the Lavon Economic Development Corporation Board Meeting July 8, 2024, 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. 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 10, 2024, board meeting minutes.
- 4. 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.
- 5. Discussion & Action**
 - A. Discussion and action of the board financials.
 - B. Discussion and action on Economic Development activities including the business directory and advertisements.
 - C. Discussion and action on election of officers.
 - D. Discussion and action of 2024-2025 budget to send to city council for approval.
 - E. Discussion and action on the annual adoption of the Purchasing Policy.
 - F. Discussion and action on the annual adoption of the Investment Policy.
 - G. Discussion and action on the retail T-Shirt Retail Promotion through Social media.



Lavon Economic Development Corporation Meeting Agenda

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

6. Executive Session

In accordance with Texas Government Code, Chapter 551, Subchapter D, the Lavon Economic Development Corporation may recess into executive session (closed meeting) for discussion pursuant to Section 505.158 to consider projects related to business development including project land, buildings, equipment facilities, expenditures, targeted infrastructure and improvements found by the Corporation Board of Directors to promote new and expanded business developments.

7. Reconvene from executive session, consider and act on proposals of each item listed in executive session.

8. 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.

9. 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 5, 2024 by 7:00PM

By: *Pamela Munelo*

POSTED THIS day July 5th, 2024, before 7PM



Lavon Economic Development Corporation Meeting Minutes

June 10, 2024

- 1. Kay Wright, President called the Economic Development Corporation Board meeting to order at 7:00 p.m. at City Hall and announced that a quorum was present.**

Present: Place One, Kay Wright, President
Place Three, Vicki Sanson, Vice President
Place Four, Rachel Dumas, Public Information Officer
Place Five: Joe Serpette, Treasurer -arriving at 7:12 p.m.
Place Six, Clinton Mclure
Place Seven Jordan Williams

Executive Director Present: Pamela Mundo

Absent: Place Two, Manzell Williams, Secretary

2. Pledge of Allegiance & Invocation

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

3. Consent Agenda

A. Through a motion of Public Information Officer Rachel Dumas, and a second of Director Clinton Mclure, the meeting minutes of May 13., 2024, was approved as amended.

4. Public Comments

A. The Community Independent School District on August 10, 2024, will hold a Fair all day and the Back to School Bash from 4 to 8 p.m.

5. Discussion & Action

- A. Discussion and Action of Board Financials.** The May month-to-month financial report of activities was discussed. Revenues continue above budget projections and expenditures are within budget.
- B. Discussion and action on Economic Development activities.** Executive Director Pam Mundo noted construction is ongoing for the Scrubbies Car Was, Specs and Starbucks. The City Utility newsletter LEDC insert included the CISD mentoring opportunity announcement. New retailer commitments to retail sites in Lavon remain strong and active. Civic Plus announced that the Lavon web site which they host will be moved to a new software Drupal 10 on July 9. New demographic numbers show Lavon at 8400 population. The Lavon market is at 35,000 within a 10-mile radius. Lavon has 8,000 lots under development and 425 acres of site ready retail. As recommended by Public Information Officer Rachel Dumas, the Board



Lavon Economic Development Corporation Meeting Minutes

would like to see plans prepared for a T-shirt promotion of retail using social media.

C. Discussion and action on the new Business Directory and advertising

Pam Mundo noted that the business directory and the advertisement will be ready for Publication in July.

6. Executive Session

A. President Kay Wright opening the executive session at 7:48 p.m. In accordance with Texas Government Code, Chapter 551, Subchapter D, the Lavon Economic Development Corporation recessed into executive session, (closed meeting) for discussion pursuant to Section 551.071 deliberate and consult with the LEDC attorney on a matter in which the duty of the attorney to the LEDC under the Texas disciplinary rule of professional conduct of the state bar of Texas clearly conflicts with Chapter 551, to deliberate the purchase, exchange, lease or value of real property and deliberate on an expenditure for an incentive impact analysis..

B. President Kay Wright closed the executive session at 8: 06 p.m.

7. Reconvene from executive session, consider, and act on proposals or take action necessary of each item listed in executive session.

A. Through a motion of Kay Wright and a second of Joe Serpette the Board of Directors unanimously agreed to authorize Pam Mundo to proceed with the incentive impact analysis not to exceed \$2,000.

8. Setting future meetings and agenda

A. The Economic Development Corporation Board members, after discussion, agreed. that the next meeting would be on July 8, 2024, or as needed, for discussion. with prospects and projects.

9. President Kay Wright adjourned the Economic Development Corporation Board meeting at 8:07 p.m.

Duly passed and approved on this ___ day _____, 2024.

Kay Wright, Board President

Manzelle Williams, Secretary

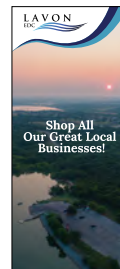
We're Lovin' Lavon!



Shop Local. Love Local!

Come and enjoy Lavon's retail shops. We have a growing variety of stores and restaurants. And more coming soon!

They're all in our new Business Directory – Scan this QR Code.



Lavon is now 8,400 residents. Our 10 minute drive market exceeds 35,000 population. Lavon offers a variety of housing options. Check out the growing neighborhoods in Elevon, Lakepointe, Lake Breeze, Bear Creek and Trails of Lavon.

We're Lovin' Lavon, you will too!



info@lavonedc.com | www.lavonedc.com
facebook.com/lavontxedc | facebook.com/cityoflavon

We're Lovin' Lavon!



Shop Local. Love Local!

Come and enjoy Lavon's retail shops. We have a growing variety of stores and restaurants. And more coming soon!

They're all in our new Business Directory - Scan this QR Code.



Lavon is now 8,400 residents. Our 10 minute drive market exceeds 35,000 population. Lavon offers a variety of housing options. Check out the growing neighborhoods in Elevon, Lakepointe, Lake Breeze, Bear Creek and Trails of Lavon.

We're Lovin' Lavon, you will too!



info@lavonedc.com | www.lavonedc.com
facebook.com/lavontxedc | facebook.com/cityoflavon

Lavon is on the verge of explosive growth.

- 8,000 lots in development
- 800 new homes built in the last 2 years
- 35,000 population within 10 minute drive
- 8,400 residents in 2024
- 35,000 Average Daily Traffic on SH 78
- 425 acres ready for retail
- High-Speed fiber internet of at least 1 GB throughout the City



LAVON
EDC

Shop All
Our Great Local
Businesses!



LAVON
EDC

We Cultivate Investment
and Growth

info@lavonedc.com | www.lavonedc.com
facebook.com/lavontxedc | facebook.com/cityoflavon

Shop local. Love local.

We encourage all residents and visitors to support Lavon's great businesses.



They're all in our new Business Directory – Scan this QR Code.



ANTIQUES

- 1 The Old Bank Antiques**
100 Main St.
214 938 8310

AUTO REPAIR

- 2 L & D Automotive**
940 SH 78
972 843 3557
- 3 O'Reilly Auto Parts**
890 SH 78
982 914 5152

BANKING

- 4 Independent Financial**
1009 SH 78
972 843 2650

BEAUTY

- 5 Great Cutz**
695 Main St. #300
214 330 2139
- 6 Hauté Beauty Bar**
695 Main St. #400
972 784 5222
- 7 I Nail & Spa**
440 SH 78 #210
972 853 2422

8 Lavon Nail Art & Spa

100 S. Lake Rd. #110
469 356 1115

9 The Nail Lounge

905 SH 78 Suite C
469 356 1179

10 Tang Massage

440 SH 78 #230
469 967 7507

CHURCHES

11 First Assembly of God Lavon

301 Main St.
972 843 3752

12 First Baptist Church

205 Main St.
972 843 3788

DENTAL

13 Lavon Family Dental

410 SH 78
972 853 2100

14 Simply Smiles

905 SH 78 Suite B
972 853 8411

EVENT VENUE

- 15 The Venue at Boyd Farm**
10350 SH 205
214 494 9479

FITNESS

- 16 CrossFit Lavon**
695 Main St. #100
469 772 9285

FOOD & BEVERAGES

- 17 Boozy Slush**
450 SH 78 #100
469 356 1213
- 30 Burgers and Chili Loco (Exxon)**
411 SH 78
214 952 1129
- 18 Daisy's Neveria**
405 SH 78 #140
469 328 9004
- 19 DOD's Asian Cuisine**
100 S. Lake Rd.
469 356 1158
- 20 Domino's Pizza**
100 S. Lake Rd.
469 356 1300
- 21 Dunkin'**
905 SH 78 Suite A
469 597 8261

- 22 El Rodeo Mexican Restaurant**
450 SH 78 #120
972 853 0446

- 23 Lavon Beer, Wine & Liquor**
400 SH 78 #200
469 356 1154

- 24 Lavon Sweet Shop**
450 SH 78 #110
972 853 2211

- 25 Olobe's Kitchen**
440 S. SH 78 #220
806 590 7011

- 26 Star Liquor**
400 N. SH 78
469 965 1681

- 27 Sonic Drive-In**
925 SH 78
972 853 0970

- 28 Taco Bell**
891 SH 78
469 589 1766

- 32 Taco Shell**
400 N. SH 78
469 739 6035

FUEL & CONVENIENCE

- 29 7-Eleven Convenience Store**
991 S. SH 78
214 385 5264
- 30 Mo's Exxon**
441 SH 78
972 853 2089

- 31 RaceTrac**
2602 Lavon Dr.
972 414 9614

- 32 Shell, MJK Mart**
400 N. SH 78
972 853 2894

HOME DÉCOR

- 33 5 Flooring Plus**
100 S. Lake Rd.
469 356 1360

INSURANCE

- 34 Farmers Insurance**
695 Main St. #200
469 356 1360

RETAILER

- 35 Dollar General**
420 SH 78
972 853 2509

SMOKE SHOP

- 36 Just Tobacco**
450 SH 78
972 853 0913

STORAGE

- 37 Robinson Self Storage**
208 Moore Ln.
214 236 8828

MUNICIPAL SERVICES

- 38 Lavon City Hall**
120 School Rd.
972 843 4220
- 39 Lavon Fire Department**
501 Lincoln Ave.
469 356 1239 non-emerg.
911 emergency
- 40 Lavon Police Department**
501 Lincoln Ave.
972 547 5350 non-emerg.
911 emergency

- 41 Collin County Precinct 2 Court**
1025 S. SH 78
972 547 1860

- 42 Lavon USPS**
609 Main St.
800 275 8777

COMING SOON!

- Starbucks Coffee
- Spec's Wine, Spirits, and Finer Foods
- Scrubbies Car Wash



LAVON ECONOMIC DEVELOPMENT CORPORATION		Adopted Budget 22-23	Amendments	Budget Approved for 2023-2024	Amendment Approved 9 5 23	Amendment of April 2024	Proposed 2024-2025 Budget
LEDC REVENUE							
Beginning Resources							
2-1	Starting Balance Carryover	150,000	163,649.59	100,000		59,008	90,000
2-11	TEXSTAR Fund	131,000		350,000			359,000
2-12	LOGIC Fund	110,600		116,000			284,000
	Total Beginning Resources	391,600		566,000			733,000
General Revenues							
2-2	Sales & Use Tax	250,000		325,000		365,992	450,000
2-5	City grant/credits/donations						
2-___	Proceeds - Project Main Street Note						
	Total General Revenue	250,000					1,183,000
	Total Revenue, Carryover and Investments	641,600		891,000			
LEDC EXPENDITURES							
Debt Service							
7-2	Lavon Business Park Sewer Project						
8-0	Main Street Debt Reserve Fund	23,080		23,080			23,080
8-1a	Main Street Debt Quarterly Payment	24,479		24,479			24,479
	Total Debt Service	47,559		47,559			47,559
Operations							
General Operations							
3-1a	Email Software/Archiving	6,000		6,000			6,000
3-1b	Misc - Dues, Ads, Cell Svc	3,000		3,000			3,000
3-1c-2	Office Supplies (formerly 5-2)	1,800		1,800			1,800
3-1d	Meeting Expenses	2,500		2,000		6,000	6,000
2-1e	Training	2,500		2,000			2,500
3-g	Document Printing	3,000		3,000			3,000
3-1f	Office Support Services	2,500		2,500			2,500
3-1h	Office Rent	6,000		6,000			6,000
3-1i	Web Site Updates (formerly 6-5)	4,500		6,000		2,000	3,500
	Total General Operations	31,800		32,300			34,300
Consulting							
4-1	Other	5,000		8,000			15,000
4-2	Web site and tech consulting	7,000		6,000			7,000
4-2a	IT Services	2,500		3,500			4,000
4-3	City Attorney	6,000		10,000			12,000
4-4	Economic Dev Consulting	48,600		50,544			53,071
	Total Consulting	69,100		78,044			91,071
Equipment							
5-1	Computers	6,500		6,500			6,000
5-2	Office Supplies	0					
5-2a	Other Computer Equipment	1,000		1,000			1,000
	Total Equipment	7,500		7,500			7,000
	Total Operations	108,400		117,844			132,371
Promotional							
6-1	General Brochure, Printing, Trade Shows	12,000		20,000			32,500
6-2	Promo Carryover	17,500	15,000	12,000		8,500	8,500
6-3	Aerial Map & Brochure	7,500	8,000	10,000		11,000	12,000
6-4	Advertising	4,000	6,000	10,000		12,500	12,500
6-5	Web Site & updates	0					
6-6	Video Development	7,500		20,000			20,000
	Total Promotional	48,500		72,000			85,500
Capital Projects							
7-3	Incentives	75,000		213,597			390,129
7-4	Additional Infrastructure Projects	212,141		240,000	140,000		325,000
7-5	Community Development				100,000		100,000
7-6	Project Main Street	100,000		150,000			100,000
7-7	Transfer to Reserve	50,000		50,000			50,000
	Total Capital Projects	437,141		653,597	653,597		965,129
	Total Expenditures	641,600		891,000	891,000		1,183,000



~~March 13, 2017~~

~~April 23, 2018~~

~~December 9, 2019~~

~~June 13, 2022~~

June 12, 2023

Purchasing Policy

The authority to expend public funds carries with it the responsibility to maintain accountability of the use and purpose of all expenditures. The purpose of this policy is to ensure all purchases made by staff, employees, or individual Board directors of the Lavon Economic Development Corporation (LEDC) are approved and verifiable through purchase tracking procedures.

Procedures

Each purchase made by a staff member, employee or individual Board of director shall be made in compliance with the procedure contain herein. All purchases must be made in compliance with the LEDC approved budget. The authorized staff, employee or individual Board Director to expend funds in a specified line item may only use funds in that particular line item for the expenditure.

Purchases made on the LEDC debit card

Standard daily purchases for running the LEDC office made on the LEDC debit card are trackable on the monthly checking account bank report. Such purchases are authorized to be made by the Board President and Board Treasurer. Any other purchase made on the LEDC debit card requires the written approval of the Treasurer of the LEDC. All debit/credit card users must sign the LEDC debit/credit card user agreement. The debit card daily spending limit is set at \$500.00. If the limit needs to be raised for major purchases, either the Board Treasurer or Board President will make the authorization.

Standard Repeating Purchases

Standard repeating purchases include payments made on contracts approved by the LEDC are authorized. Other similar repeating purchases that have been authorized by the LEDC are likewise authorized.

All Other Purchases

All other purchases not covered in the above categories shall be included as an "all other Purchases" (AOP)

A staff member, employee or individual Board Director may only make an AOP purchase after first obtaining authorization by the Treasurer of the LEDC. If the purchase of a single item is greater than five hundred dollars (\$500.00) the staff member, employee or individual Board director must obtain authorization from the Board Treasurer or Board President prior to the purchase.

Expenditures, Receipts and Reimbursements

Excluding purchases made on the LEDC debit card, standard repeating purchases and AOP, all purchases using LEDC funds by staff member, employee or individual Board director must be submitted on an expenditure report.

Staff members, employee or individual Board director shall ensure that a receipt is provided for all purchases made by them on behalf of the LEDC that requires the submission of an expenditure report. The receipt or legible copy thereof must be attached to the expenditure report.

When a staff member, employee or individual board Director made use of personal funds to make an authorized LEDC purchase, the staff member, employee or individual Board director shall complete a written reimbursement expenditure report. The receipt or a legible copy thereof must be attached to the expenditure report. Submission does no guarantee payment.

When the staff member, employee or individual Board Director cannot provide an original or legible copy of the receipt, the employee must complete a written Lost Receipt report. The report shall list each item purchased individually on the report along with the cost of the item. The staff member, employee or individual Board director is encouraged to attempt to contact the place of business and obtain a replacement receipt. A separate lost receipt report shall be completed for each lost or missing receipt. The lost receipt report shall be completed for each lost or missing receipt. The lost receipt report shall be attached to the reimbursement expenditure report.

On rare occasions, when the staff member, employee or individual board director cannot separately list each item and their individual costs, if approved by the Treasurer and President of the LEDC, the reimbursement expenditure report may include the lump sum of the purchases with the list of items and the total cost accurately reflect the total purchase. This method should be a matter of concern for the President and Treasurer of the Board and only authorized on a (very rare basis where there is no other option available to accurately provide all the required information.

Purchase Orders

If a vendor requires a purchase order, the staff or Board Treasurer will prepared a LEDC purchase order by number and date and have said purchase order verbally approved by the LEDC Treasurer. Staff, employee or individual Board Director who need a purchase order number will need to provide the Treasurer with the name of the company, the item (s) to be purchased, the item numbers, the cost of each item and the name of the purchaser in a written form. The Board Treasurer will add the purchase order date, numbers to the request and submit the purchase order to the staff, employee or individual Board Director making the purchase. The staff, employee or individual Board director making the purchase must re-submit to the Board Treasurer an expenditure report with the receipt and the purchase order attached upon completion of the purchase.

Disclaimer

This policy directive is for the staff, employee and individual Board director of the LEDC only and does not apply in any criminal or civil proceeding. The LEDC policy should not be construed as a creation of higher legal standards for safety or care in an evidentiary sense with respect to third party claim. Violations of this policy directive will only form the basis for LEDC administrative sanctions.

EFFECTIVE DATE:

This Policy Directive shall be in full force and effective from and after its approval by the LEDC.

PASSED AND APPROVED BY THE LAVON ECONOMIC DEVELOPMENT CORPORATION ON _____,2023

PRESIDENT KAY WRIGHT

SECRETARY, MANZELLE WILLIAMS

LAVON

ECONOMIC DEVELOPMENT CORPORATION

Investment Policy

Approved by the Lavon Economic Development Corporation

_____, President

_____, Secretary

Table of Contents		Page
I.	POLICY STATEMENT	3
II.	SCOPE	3
III.	OBJECTIVES AND STRATEGY	3
IV.	LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY	4
V.	DELEGATION OF INVESTMENT AUTHORITY	4
VI.	PRUDENCE	5
VII.	ETHICS AND CONFLICTS OF INTEREST	5
VIII.	INTERNAL CONTROLS	5
IX.	AUTHORIZED INVESTMENTS	5
X.	AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS	6
XL	DIVERSIFICATION AND MATURITY LIMITATIONS	6
XII.	SAFEKEEPING AND COLLATERALIZATION	7
XIII.	PERFORMANCE EVALUATION AND REPORTING	8
XIV.	DEPOSITORIES	8
xv.	INVESTMENT TRAINING	8
XVI.	INVESTMENT POLICY ADOPTION	8

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.

Get Your Free I'm Lovin' Lavon T-shirt

1

Shop at a participating Lavon business from July 15 to August 15 and snap a Photo.

2

Post your Photo on Social Media with #Lavonedc (Don't forget to tag the shop!)

3

Pick up your Free Lavon T-shirt at participating Lavon businesses. (WHILE SUPPLIES LAST)



I'm Lovin'
LAVON

Get Your Free I'm Lovin' Lavon T-shirt

1

Shop at a participating Lavon business from July 15 to August 15 and snap a Photo.

2

Post your Photo on Social Media with #Lavonedc (Don't forget to tag the shop!)

3

Pick up your Free Lavon T-shirt at participating Lavon businesses. (WHILE SUPPLIES LAST)



I'm Lovin'
LAVON TEXAS