



Council Policy and Valuation Committee Agenda

Wednesday, July 23, 2025
9:00 AM

City Hall Annex - 135 W. Ellison,
Suite 109, Second Floor
Conference Room #1
Burleson, TX 76028

1. **CALL TO ORDER**

2. **CITIZEN APPEARANCES**

Each person in attendance who desires to speak to the Committee on an item NOT posted on the agenda, shall speak during this section. A speaker card must be filled out and turned in to the City Secretary prior to addressing the Committee. Each speaker will be allowed three minutes to speak.

Each person in attendance who desires to speak on an item posted on the agenda shall speak when the item is called forward for consideration.

3. **GENERAL**

A. Consider and take possible action of the minutes from the June 4, 2025 Council Policy and Valuation committee meeting. (*Staff Contact: Monica Solko, Deputy City Secretary*)

4. **REPORTS AND PRESENTATIONS**

A. Receive a report, hold a discussion, and provide recommendations to the city council regarding the pursuit of the Texas Comptroller of Public Accounts' Transparency Stars program, which recognizes local governments for going above and beyond in their transparency efforts. (*Staff Contact: Michael Franklin, Deputy Director of Finance*)

B. Receive a report, hold a discussion, and provide recommendations to the city council regarding the Investment Policy, as required annually by the Public Funds Investment Act and the City's charter for the City of Burleson. (*Staff Contact: Natalie Turner, Chief Accountant*)

5. **REQUESTS FOR FUTURE AGENDA ITEMS AND REPORTS**

6. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom in City Hall to conduct a closed meeting to discuss any item listed on this Agenda.

Pending or contemplated litigation or to seek the advice of the City Attorney pursuant to Section 551.071, Texas Government Code

7. **ADJOURN**

DEANNA PHILLIPS

Community Services

Community Services Director

dphillips@burlesontx.com

phone: 817.426.9622 | burlesontx.com

CERTIFICATE

I hereby certify that the above agenda was posted on this the **15th of July 2025, by 5:00 p.m.**, on the official bulletin board at the Burleson City Hall, 141 W. Renfro, Burleson, Texas.



Amanda Campos

City Secretary

ACCESSIBILITY STATEMENT

The Burleson City Hall Annex is wheelchair accessible. The entry ramp is located in the front of the building, accessible from Warren St. Accessible parking spaces are also available in the Warren St. parking lot. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-426-9600, or TDD 1-800-735-2989.

Council Policy and Valuation Committee

DEPARTMENT: City Secretary's Office
FROM: Monica Solko, Deputy City Secretary
MEETING: July 23, 2025

SUBJECT:

Consider and take possible action of the minutes from the June 4, 2025 Council Policy and Valuation committee meeting. *(Staff Contact: Monica Solko, Deputy City Secretary)*

SUMMARY:

The Council Policy and Valuation committee duly and legally met on June 4, 2025 for a regular meeting.

RECOMMENDATION:

Committee may approve the minutes as presented or approve with amendments.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Monica Solko, TRMC
Deputy City Secretary
msolko@burlesontx.com
817-426-9682

COUNCIL POLICY & VALUATION COUNCIL COMMITTEE
JUNE 4, 2025
DRAFT MINUTES

Council present:

Dan McClendon, Chair
Larry Scott

Council Absent:

Adam Russell

Staff present

Tommy Ludwig, City Manager
Harlan Jefferson, Deputy City Manager
Eric Oscarson, Deputy City Manager
Amanda Campos, City Secretary
Monica Solko, Deputy City Secretary

1. CALL TO ORDER – Time: 9:00 a.m.

Chair Dan McClendon called the meeting to order. **Time: 9:00 a.m.**

2. CITIZEN APPEARANCES

- None.

3. GENERAL

- A. Consider approval of the minutes from the April 23, 2025 Council Policy and Valuation Committee meeting. (Staff Contact: Monica Solko, Deputy City Secretary)**

Motion made by Larry Scott and seconded by Dan McClendon to approve.

Motion passed 2-0, with Adam Russell absent.

4. REPORTS AND PRESENTATIONS

- A. Receive a report, discuss and provide possible recommendations for all boards, commissions and committees – Council Policy #40 and various chapters in Code of Ordinances amendments. (Staff Contact: Amanda Campos, City Secretary)**

Amanda Campos, City Secretary, reported on possible recommendations for all boards, commissions and committees to the committee. Discussion included membership and terms, absence, TOMA and current boards.

Creation and Purpose: The committee recommended to amend Chapter 2, Section 2-35 of the Code of Ordinances and Council Policy 40 to address purpose and function:

Chapter 2; Section 2-35 Scope of responsibilities.

- (a) Each board and commission shall review data and circumstances pertaining to their respective boards and commissions and formulate recommendations to the city council, ~~on for its adoption~~, policies and regulations consistent with the overall city plan and ordinances. **This should exclude items concerning budget, finances of the city, fees/fines, and maintenance operation functions of the city.**
- (b) Each board and commission shall give full consideration to the movement of people and goods, the health, recreation, safety and general welfare of the citizens of the city.
- (c) Each board and commission, at the direction of the city council, shall study, hold public hearings and submit reports on any topics within their purview that the city council deems appropriate.
- (d) Members of each board and commission shall comply with all statutory time limits, public notices, and the Texas Open Meetings Act, V.T.C.A., Government Code § 551.001 et seq.

Council Policy #40 – City Boards, Commissions & Committees Appointment Process

Add new subsection under: Section VI. Board/Commission/Committee Members responsibilities

The members should fully consider the items presented to them at a meeting providing recommendations to be forwarded to the city council or council committee by the Director or designee with consideration given to the necessary timeframe for the item.

All recommendations of the board, commission, or committee should be presented in a report that provides the council full consensus of the members, understanding the recommendations may not all be unanimous. The reports should reflect the discussion and questions of the members present at the meeting in a high level executive summary format. This is not intended to be verbatim minutes.

Membership & Terms: The committee recommended changing the Park Board term to three terms matching the Planning & Zoning Commission terms. All other boards of the city are two year terms.

In accordance with Chapter 2 of the Code of Ordinances the membership of each board will remain at 9 members except the Planning & Zoning Commission that currently has 10 members with the added ex-officio youth member.

The committee recommended to amend Chapter 2, Section 2-31 of the Code of Ordinances concerning terms:

Chapter 2-31 (d) Terms

The term of each member shall not exceed two (2) consecutive full terms and a member must have remained off of that particular board, commission, or committee for one (1) full term before the member can be reappointed. Planning and Zoning Commission **and Park Board members** terms shall not exceed three (3) consecutive full terms. Youth members terms have no limit except that they must remain qualified members.

The committee reviewed the absence rule as stated in the code Chapter 2 Section 2-34 and provided the following recommendations for amendment:

- Section 2-34 (a) When a member of any city board or commission is absent for three consecutive meetings the member shall be deemed to have vacated the member's position, unless **notice was provided to the city secretary in accordance with the process of absences in Council Policy #40.** ~~prevented by sickness without first having obtained a leave of absence at a regular meeting.~~ The city secretary shall notify the city council of such absences within ten days of the third consecutive unexcused absence.
- Section 2-34 (b) ~~If any Board members shall fail to attend at least 75 percent of the called meetings during the 12-month period between October 1 through September 30. If a such board or commission member shall be deemed to have vacated their position on that board or commission (the 75 percent rule shall only apply to boards or commissions which meet at least once a month on a called basis)~~ **fails to attend 75 percent that member may not be eligible to continue to serve their current term or not be re-appointed as determined by the city council in their review of membership when presented by the city secretary.**

Council Policy #40 – City Boards, Commissions & Committees Appointment Process

Add new section:

Absences – Members should notify City Secretary's Office and board liaison with at least 72 hour notice of absences due to illness, realizing emergencies arise. If emergency notify City Secretary's Office as soon as possible. The City Secretary's Office will note the absence in the attendance roll to be presented to the council committee during appointment process.

Several boards were created with membership outside the normal scope of being a resident due to its function and work. The Committee reviewed all the boards considering how membership affects attendance. The following amendments are recommended by the committee:

Texas Open Meetings Act (TOMA)– “ an advisory committee that does not control or supervise public business or policy is not subject to the Act”

- Advisory Committee on People with Disabilities, Animal Shelter Advisory Committee, Cemetery Board, and Citizens Public Art Committee were reviewed to see if we could remove the Texas Open Meetings Act helping with distance attendance and strict quorum requirements. After review by our legal department although not required best practice would keep them under TOMA but we are allowed to make policy determinations as it pertains to quorum needed to call to order.
- Boren Property Advisory Council – was created by an agreement in acceptance of property donation and therefore can be changed by amending the agreement. This will allow the membership that is all over the state meet virtually.
- Amendments will be made to Council Policy #40 to address the requirement quorum, functions, and process for bringing forward anything to the city council.

Council Policy #40 – City Boards, Commissions & Committees Appointment Process

Add new section:

Quorum - Establishing the number required to hold a meeting. The Deputy City Attorney will craft the wording for this section.

Current boards structure and number of boards

- Keep unchanged because of their legal requirements
Planning & Zoning Commission
Board of Adjustments
Capital Improvement Advisory
- Combine into new board
Cemetery
Citizens Public Art
- Rename
Park to become Parks & Recreation Board
- Change
Parks & Recreation Board – Remove Russell Farms this property will continue under the Boren Property Advisory

Animal Shelter Advisory - Remove cost effectiveness from their function – it is stated in the code

- Expand
Old Town Development Standards
 - Committee to review all development proposals in Old Town (new construction, building modifications, façade improvements, and aesthetic changes)
- New
Public Spaces & Cultural Heritage
 - This new board would encompass cemetery, public art, senior citizens, and public spaces that are not parks or the recreations center operations.

5. **BOARD REQUESTS FOR FUTURE AGENDA ITEMS OR REPORTS**

- None.

6. **RECESS INTO EXECUTIVE SESSION**

In accordance with Chapter 551 of the Texas Government Code, the Committee may convene in Executive Session in the City Council Workroom at City Hall to conduct a closed meeting to discuss any item listed on this agenda.

- **Pending or Contemplated Litigation or to Seek the Advice of the City Attorney Pursuant to Section 551.071**

No executive session.

7. **ADJOURN**

There being no further business Chair Dan McClendon adjourned the meeting.

Time: 10:28 a.m.

Monica Solko
 Deputy City Secretary

Council Policy and Valuation Committee

DEPARTMENT: Finance

FROM: Michael Franklin, Deputy Director of Finance

MEETING: July 23, 2025

SUBJECT:

Receive a report, hold a discussion, and provide recommendations to the city council regarding the pursuit of the Texas Comptroller of Public Accounts' Transparency Stars program, which recognizes local governments for going above and beyond in their transparency efforts. (Staff Contact: Michael Franklin, Deputy Director of Finance)

SUMMARY:

The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that accomplish the following:

- Open their books not only in their traditional finances, but also in the areas of contracts and procurement, economic development, public pensions, debt obligations, and Open Government and Compliance; and
- Provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information.

A government entity can apply for one or more Stars, up to a maximum of six. Entities must first receive a Traditional Finances Star, but may apply for Stars in up to five other areas:

- Contracts and Procurement;
- Economic Development;
- Public Pensions;
- Debt Obligations; and
- Open Government and Compliance

The program recognizes the remarkable breadth and depth of information presented for each specific Transparency Star awarded, making each star a prestigious achievement. The Stars

stand on their own and are not awarded along a continuum or with an expectation that entities should attain six out of six stars.

Currently, the City of Burleson only posts the check register, budget, and annual financial reports on its website. To mitigate security risks and threats, the City began truncating the names of payees on the check register, similar to other recipients of the Transparency Stars.

For more detailed information, please refer to the attached Frequently Asked Questions document.

RECOMMENDATION:

Staff recommend that the Committee discuss the status of the Texas Comptroller of Public Accounts' Transparency Stars program application.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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Deputy Director of Finance
mfranklin@burlesontx.com
817-426-9231

Transparency Stars Program

COUNCIL POLICY AND VALUATION COMMITTEE: JULY 23, 2025

Purpose of the Transparency Stars Program

BURLESON

Item A.

The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that accomplish the following:

- Open their books not only in their traditional finances, but also in the areas of contracts and procurement, economic development, public pensions, debt obligations, and Open Government and Compliance; and
- Provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information.

Type of Transparency Stars

You can apply for one or more Stars, up to six. Entities must first receive a Traditional Finances Star, but may apply for Stars in up to five other areas:

- Contracts and Procurement;
- Economic Development;
- Public Pensions;
- Debt Obligations; and
- Open Government and Compliance

Each Star Stand on Its Own

The program recognizes great breadth and depth in the information presented for each specific Transparency Star awarded, making each star a prestigious achievement. The Stars stand on their own and are not awarded along a continuum or with an expectation that entities should be attaining six out of six stars.

Benefits of Transparency Stars Program



IMPROVE FINANCIAL
TRANSPARENCY;



PROVIDE MEANINGFUL
FINANCIAL
INFORMATION



CENTRALIZE FINANCIAL
INFORMATION



REDUCE SECURITY AND
THREATS

Traditional Finances Star



Current Transparency Practice

The City of Burleson post on its website the following:

- Check Register
- Budget
- Annual Financial Reports
- All the information to qualify for the traditional star:

<https://www.burlesontx.com/2748/Transparency-Stars>

Reduced Security Risk

Security risk and threats can be reduced by truncating the name of the payee. Comparisons are as follows:	
<u>Currently</u>	<u>Proposed</u>
Alan Plummer & Associates	Alan
AssureHire, Inc.	Assur
Brodart Co.	Broda
Classic Chevrolet Buick	Class
Canon Business Solutions	Canon
Lawson Production Inc.	Lawso
Liquid Stone Concrete	Liqui

Statewide Award Recipients by Star

Star 6: 9

Star 5: 9

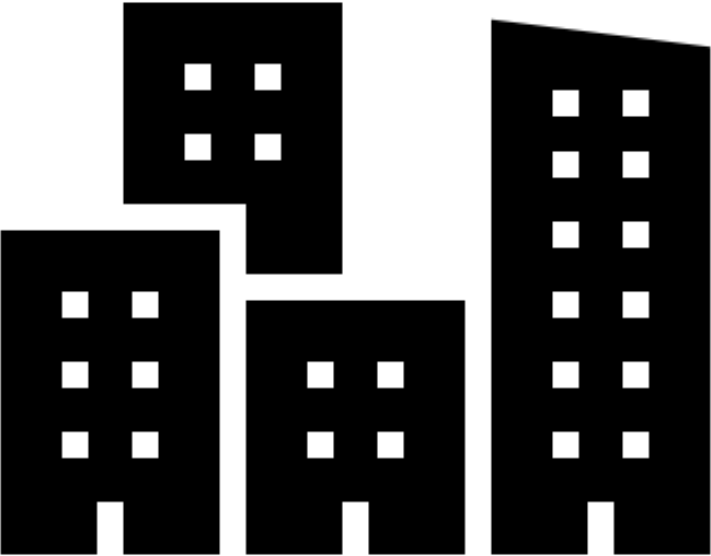
Star 4: 3

Star 3: 12

Star 2 19

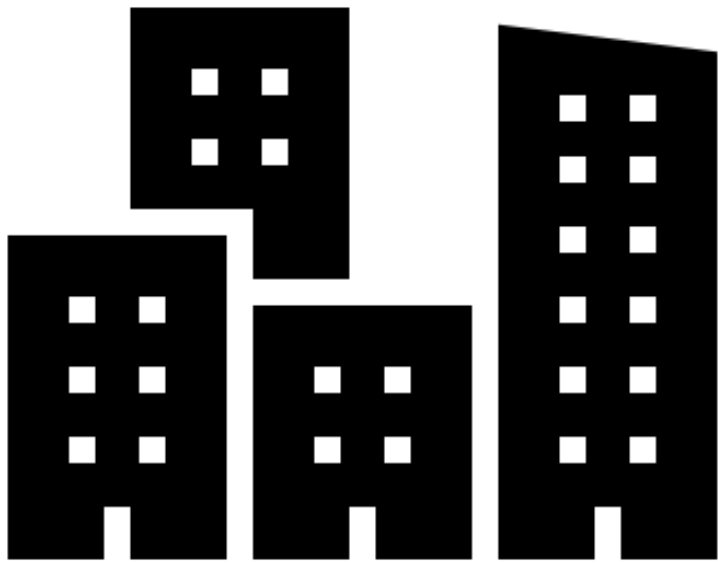
Star 1: 37

Award Recipients with 5 Stars



City of Anna	City of Jersey Village	City of Keller
City of Mesquite	City of New Braunfels	City of Pearland
City of Plano	City of Richardson	City of Shenandoah

Award Recipients with 6 Stars



Town of Addison	City of Arlington	City of College Station
City of Denton	City of Gainesville	City of Lancaster
City of McKinney	City of Round Rock	City of Rowlett

Recommendation

Apply for the remaining Transparency
Star Program.



Questions, Comments & Direction



Transparency Stars

Debt Obligations Guidelines

Follow the guidelines below and add the required documentation to your entity's website to qualify for a Debt Obligations Transparency Star.

House Bill 1378, passed in the 84th Legislative session, requires public entities to post certain debt information online. The Transparency Stars program recognizes local governments who go beyond legislative requirements in this area by providing debt information in a variety of formats.

Debt Information Summary

Post a summary table or listing separately from audits and financial reports that includes the following items for the most recently completed fiscal year, as well as a narrative overview with explanations of terminology, if applicable, for each:

- Total outstanding debt obligations.
- Tax-supported debt obligations expressed as total and per capita amounts.
- Total revenue-supported debt obligations.
- Total lease-purchase or lease-revenue obligations.
- Historical bond election information that includes date of election, purpose and amount.

You may want to include additional pieces of data that provide context reflective of standards or conventions particular to your entity type. You may use the optional Debt Obligations Summary Form [comptroller.texas.gov/transparency/local/stars/docs/debt-summary.pdf] to complete this section.

Visualizations

Post data visualizations to your website with the following:

- Time trend for last five years showing total outstanding tax-supported and revenue-supported debt.
- Time trend for last five years showing inflation adjusted tax-supported debt per capita or per student.

You may wish to include explanations or subsets of these trends in the visualizations, or post additional visualizations that provide context reflective of standards or conventions particular to your

entity type. See the sidebar for templates you may use to complete required visualizations. The visualizations must be posted on the page itself or linked directly and must be — like all the required information on the transparency page or section — easy to view and to interpret.

Item A.

Documents

Post the following documents separately from audits and annual financial reports:

- The entity's most recently submitted Local Annual Debt Report, or a document created in compliance with Local Government Code Section 140.0048. If your report has been submitted to and approved by the Comptroller's office via the Local Government reporting database you can include the link instead.
- Document containing tax rates for current fiscal year. (This information can also be posted directly to the page.)
- Link(s) to debt information in previous years' adopted budgets dating back five fiscal years.

Downloadable Data

Make the following data available for download in a spreadsheet or other machine-readable format to aid in researching your entity:

- Time trend for total outstanding tax-supported and revenue-supported debt going back at least five complete fiscal years.
- Issue-by-issue listing including principal amount of each outstanding debt obligation.

Other Information

Your transparency site should also include the following:

- Link to Bond Review Board local government debt data.
- Post a statement regarding any upcoming bond elections that includes date, purpose and amount. If there are no scheduled bond elections, please post language to that effect on the page.



Kelly Hancock
Acting Texas Comptroller of Public Accounts



Transparency Stars

Frequently Asked Questions

If you don't see your question addressed below, please contact the Transparency Stars Team [mailto:transparency.stars@cpa.texas.gov].

▼ What is the deadline for the Transparency Star awards?

There are no application deadlines for Transparency Stars. Transparency Stars are granted and maintained on an ongoing basis.

▼ My entity does not have the resources to meet some of the requirements of the Transparency Stars program, but we want to participate. What can we do?

Program participants demonstrate a significant commitment to transparency. Various types of software can be used to meet program requirements. The Comptroller's office does not partner with or endorse vendors for the Transparency Stars program. Our office strives to be of assistance in answering your questions and providing guidance so that any city, county or school district, regardless of resources, can move toward greater transparency.

We offer these tips on compiling a check register:

- In order to meet the check/expense register criteria for Transparency Stars, your entity must post all transactions including electronic ones, not just written checks.
- You may be able to use your accounting software to create expenditure reports that are reusable each month. If not, off-the-shelf accounting software can download transactions from your financial institution once they are completed.
- Your financial institution's website may also allow you to download a spreadsheet detailing all of your entity's monthly transactions.
- Note that employee pay, benefits and withholding amounts are confidential information. These transactions should be aggregated into totals within the check register.

All downloadable data sets must be kept as current as possible. For the Traditional Finances downloadable data requirements, new annual raw format budgets must be posted as soon as they are available, and the check register must always reflect the prior 36 months of activity with the most recent data not more than 90 days old.

In addition, the Comptroller's office has developed a set of templates and forms that may be used in fulfilling the visualization and summary requirements.

Item A.

▼ This information is already included in my local government's financial documents. Can't we just direct people to the information that's already posted?

No. All summary information should be posted separately from any financial documents from which they are derived. Consolidating this information as a listing or table posted directly to the page or as a clearly labeled link is the most expedient and concise manner in which to do this.

▼ I participated in the Leadership Circle program and have a Leadership Circle emblem displayed on my website. Am I expected to remove the emblem now that the program is retired?

Though transparency achievements made as part of the Leadership Circle program are still relevant, the program and its awards have been discontinued. We ask that Transparency Stars insignia replace, rather than coexist with, Leadership Circle insignia. New program insignia should also replace previous program award insignia upon receipt. If you require rebranded award logos, please contact the Transparency Stars Coordinator [mailto:transparency.stars@cpa.texas.gov] directly.

▼ What is to be included in revenues and expenditures per the Traditional Finances guidelines?

Expenditures include all payments that a local government makes no matter what fund a payment is made from and should mirror the total combined budget.

Expenditures should include:

- all operational expenditures;
- all debt payments;
- all electronic fund transfers;
- all other funds (such as enterprise funds) beyond the general fund (GF); and
- any other payments from any funds of the local government.

Revenues include all sources of revenue that a local government collects through taxes, fees or fines as well as any other sources such as grants, federal or state sources.

▼ Is it acceptable for entities to provide a total monthly payroll amount rather than each individual person's name and monthly check amount in the check register?

Yes, it's ok to aggregate payroll.

▼ Many local governments consider bond proceeds and grants as part of total revenue. Should funds from these sources be included in total revenue?

Yes, these sources must be included in revenues.

▼ Is it acceptable for entities to provide a total monthly payroll amount rather than each individual person's name and monthly check amount in the check register?

Item A.

Yes, it's ok to aggregate payroll.

▼ Many local governments consider bond proceeds and grants as part of total revenue. Should funds from these sources be included in total revenue?

Yes, these sources must be included in revenues.

▼ I have concerns that greater transparency will possibly open my local government to greater financial risk. Is the Stars program still for me?

Yes, the Comptroller's office is committed to working with entities to ensure that the highest level of transparency is being met while still being conscious of security risks and threats.

Council Policy and Valuation Committee

DEPARTMENT: Finance

FROM: Natalie Turner, Chief Accountant

MEETING: July 23, 2025

SUBJECT:

Receive a report, hold a discussion, and provide recommendations to the city council regarding the Investment Policy, as required annually by the Public Funds Investment Act and the City's charter for the City of Burleson. *(Staff Contact: Natalie Turner, Chief Accountant)*

SUMMARY:

In 1987, State legislation adopted the Texas Public Funds Investment Act (PFIA). Because of PFIA, the City Council adopted Investment Policy #30 on May 26, 1988. The policy was amended on October 5, 1995, and has been reviewed yearly, with minor updates made since then. The most recent revision was on September 3, 2024, with minor changes in wording that included the following:

- Investment officer titles were updated to reflect the current titles of the officers.
- Added: Deputy City Manager
- Added: Chief Accountant
- Added: Accounting Supervisor
- Removed: Controller
- Minor indentations and typo corrections

On June 21, 2021, the Council approved an investment advisory service agreement with Valley View Consultants. One of the initial tasks with Valley View was to work with staff to review the city's current investment policy. In the review process, they referred the City to the Government Treasurers' Organization of Texas (GTOT) for recommended best practices and their checklist for the GTOT Investment Policy Certification Award Program. On May 14, 2022, the City was awarded the GTOT Investment Policy Certification Award. In May 2024, we completed the recertification process and were awarded the certification again.

Minor changes are recommended for the Investment Policy for FY 2025. These include the following:

- Investment officer title updates to reflect the current titles of the officers.
- Add: Deputy Finance Director
- Remove: Assistant Finance Director

- Remove: Accounting Supervisor
- Include option for deposits insured by NCUSIF
- Update diversification structure from two to three years for policy consistency
- Minor indentation and typo corrections

RECOMMENDATION:

Staff recommend that the Committee discuss the Investment Policy and develop a recommendation for City Council action to approve or deny the policy as required annually by the Public Funds Investment Act and the City's charter for the City of Burleson.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Natalie Turner
Chief Accountant
nturner@burlesontx.com
817-426-9322

Investment Policy Annual Review

PRESENTED TO THE POLICY AND VALUATION COMMITTEE ON July 23, 2025

Texas Public Funds Investment Act (PFIA)

- State legislation originally adopted in 1987
 - Chapter 2256, Government Code
- Last Amended in 2019
- PFIA requires local governments to develop and review an investment policy annually, with approval by the governing board.

Investment Policy for FY 2024

- Adopted May 26, 1988
- Last Updated on September 3, 2024
- Minor changes were proposed as follows:
 - Investment officer titles were updated to reflect the current titles of the officers.
 - Added: Deputy City Manager
 - Added: Chief Accountant
 - Added: Accounting Supervisor
 - Removed: Controller
 - Minor indentations and typo corrections
- PFIA requires the City Council to review and approve investment policy on an annual basis, even if changes are not made

Investment Policy for FY 2025

- No recommended changes to Investment Policy
 - Based on the Government Treasurers' Organization (GTOT) of Texas's recommended best practices
 - GTOT's Investment Policy Certification Award Program checklist
 - City of Burleson received the GTOT Investment Policy Certification Award in 2022
 - The GTOT Investment Policy Certification Award was renewed in 2024

Investment Policy for FY 2025

- Minor changes recommended as follows:
 - Investment officer title updates to reflect the current titles of the officers.
 - Add: Deputy Finance Director
 - Remove: Assistant Finance Director
 - Remove: Accounting Supervisor
 - Include option for deposits insured by NCUSIF
 - Update diversification structure from two to three years for policy consistency
 - Current safety of principal language permits maximum allowable maturity to three years
 - Minor indentation and typo corrections

Investment Portfolio Performance

Fiscal Year-to-Date Average Yield	June 2024	June 2025	Percent Change
Total Portfolio	5.05%	4.50%	-10.89%
Rolling 3-Month Treasury	5.48%	4.42%	-19.34%
Rolling 6-Month Treasury	5.40%	4.42%	-18.15%
TexPool	5.33%	4.40%	-17.45%
Yield to Maturity at Cost of US Treasuries in Portfolio	5.04%	4.28%	-15.08%

Interest Income

Fund	FYTD June 2024	FYTD June 2025	Variance
General	899,711	781,175	(118,536)
Waste & Wastewater	704,225	547,586	(156,639)
4A Sales Tax SRF	191,670	192,480	810
4B Sales Tax SRF	148,492	100,499	(47,993)
Parks Performance Fund	16,269	42,441	26,172
Medical Transport Fund	1,032	28,722	27,690
Street Maintenance Fund	-	29,854	29,854
FY24 Bond Funds	-	1,011,176	1,011,176
Other Funds	3,106,707	2,329,732	(776,975)
Total	5,068,106	5,063,665	(4,441)

Option

- Recommend that the City Council Approve or Deny the Resolution Declaring the Council's review and approval of the Investment Policy for FY 2024-2025
- Staff support the recommendation for approval

QUESTIONS/COMMENTS

CITY OF BURLESON

INVESTMENT POLICIES

I. POLICY

It is the policy of the City of Burleson, Texas (the “City”) that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of the investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue to the City’s funds. The City’s investment portfolio shall be designed and managed in a manner to optimize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal,
- Maintenance of sufficient **liquidity** to meet operating needs,
- **Public trust** from prudent investment activities, and
- Optimization of **interest earnings** (yield) on the portfolio.

II. PURPOSE

The purpose of this Investment Policy is to comply with Government Code Chapter 2256, Public Funds Investment Act (the “PFIA”) which requires each city to adopt a written investment policy regarding the investment of its funds and funds under its control. This Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

III. SCOPE

This Investment Policy shall govern the investment of all financial assets of the City and the Burleson Community Service Development Corporation (Type B), Economic Development Corporation (Type A), and Tax Increment Financing (TIF). These funds are accounted for in the City’s Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds

- Internal Service Funds
- Any new fund created by the City, unless specifically exempted from this Policy by the City Council, or by law.

When advantageous, the City will consolidate cash balances to optimize investment strategy implementation. Investment income will be allocated to the consolidated funds based on their respective participation in the consolidated balances and in accordance with generally accepted accounting principles.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this Policy does not apply to the assets administered for the benefit of the City by outside agencies under pension plans or deferred compensation programs.

IV. INVESTMENT OBJECTIVES

The City shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield (expressed as optimized interest earnings)**. The safety of the principal always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash.

Safety

Safety of principal is the foremost objective of the investment program. The objective will be to mitigate credit and interest rate risk.

- Credit Risk and Concentration of Credit Risk - The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, and concentration risk, the risk of loss attributed to the magnitude of investment in a single issuer, by:
 - Limiting investments to the safest types of issuers;
 - Pre-qualifying the financial institutions and brokers/dealers with which the City will do business; and
 - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized, as appropriate.
- Interest Rate Risk - The City will manage the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates. The City will:
 - Structure the investment portfolio so that investments mature to meet cash

requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity;

- Invest funds primarily in certificates of deposit, shorter-term securities, financial institution deposits, or money market mutual funds and local government investment pools whose investment objectives include maintaining a stable \$1.0000 net share value; and
- Diversify maturities and stagger purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in cash-equivalent options that offer same-day liquidity. In addition, any security positions will consist of securities with active secondary or resale markets.

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment Officer(s) shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Yield (Optimized Interest Earnings)

The 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 investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

V. RESPONSIBILITY AND CONTROL

Delegation of Authority

In accordance with the PFIA, the City Council designates the Deputy City Manager, Finance Director, Deputy Finance Director, and Chief Accountant as the City's Investment Officer(s). An Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction of the management of City funds except as provided under the terms of this Investment Policy as approved by the City Council. The investment authority granted to the Investment Officer(s) is effective until rescinded by the City Council.

Quality and Capability of Investment Management

The City shall provide periodic training in investments for the Investment Officer(s) and other investment personnel through courses and seminars offered by approved professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the PFIA.

Training Requirements

In accordance with the PFIA, the Investment Officer(s) shall attend investment training no less often than once every two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, and accumulate not less than 8 hours of instruction relating to investment responsibilities and requirements of the PFIA. A newly appointed Investment Officer(s) must attend training accumulating at least 10 hours of instruction within twelve months of the date the Officer took office or assumed the Officer's duties. Training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the PFIA.

Internal Controls

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. 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.

The internal controls shall address the following points:

- Avoidance of collusion,
- Separation of transactions authority from accounting and record keeping,
- Third-party safekeeping and custody,
- Clear delegation of authority of subordinate staff members, and
- Written confirmation for transactions for investments and wire transfers.

Standard of Care

The standard of care to be applied by the Investment Officer(s) shall be the "prudent person" rule. This rule states that "Investments shall be made with judgment 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." In determining whether an Investment Officer(s) has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the Investment Officer(s) had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved Investment Policy of the City.

Indemnification

An Investment Officer(s), acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported in a timely manner and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Investment Officer(s) and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Investment Officer(s) and employees shall disclose any personal material interests in financial institutions with which the City conducts business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officer(s) and employees shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer(s) who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer(s) who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

Investment Committee

The Finance Committee shall function as the City's designated Investment Committee to oversee the implementation of investment strategies and other cash and investment management-related activities, approve Independent Training Sources, and authorize Broker/Dealers. The Committee shall meet at such times as necessary or requested by the Investment Officer(s).

VI. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The City utilizes a “buy and hold” portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated or redeemed prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal, or
- Cash flow needs of the City require that the investment be liquidated.

Investments

City funds governed by this Investment Policy may be invested in the instruments described below, all of which are authorized by the PFIA. Investment of City funds in any instrument or security not authorized for investment under the PFIA is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

I. Authorized

- a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.
- b. Direct obligations of the State of Texas or its agencies and instrumentalities.
- c. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States.
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- e. Financial institution deposits that, are issued by a state or national bank or credit union that a) has its main office or a branch office in Texas and is guaranteed or insured by the FDIC, NCUSIF, or their successors, b) is secured by obligations in a manner and amount provided by law and this Investment Policy for deposits of the City, or c) is placed in a manner that meets the requirements of the PFIA.
- f. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United State or its agencies and instrumentalities. These shall be pledged to the City, held in the City’s account, and deposited at the time the investment is made with the City or with a third party selected and

approved by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Repurchase Agreement must be signed by the counter-party prior to investment in a repurchase agreement. All repurchase agreement transactions must have a market value of purchased securities greater than or equal to 102 percent of the total balance of the agreement.

- g. Money Market Mutual funds that: (1) are registered and regulated by the Securities and Exchange Commission, (2) seek to maintain a net asset value of \$1.0000 per share, and (3) are rated AAA by at least one nationally recognized rating service.
- h. Local government investment pools, which (1) meet the requirements of the PFIA, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and (3) are authorized by resolution or ordinance by the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. (PFIA 2256.021)

II. Not Authorized

- Collateralized mortgage obligations
- Commercial paper
- Banker's acceptances
- Reverse repurchase agreements
- No-load mutual funds other than no-load money market mutual funds
- Guaranteed investment contracts not structured as flexible repurchase agreements
- Securities lending programs

VII. INVESTMENT PARAMETERS

Maximum Maturities and Investment Strategies

The City may utilize fund-type investment groups. These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

City funds shall seek to achieve a competitive yield appropriate for each strategy. A comparably structured U.S. Treasury security portfolio shall represent the minimum yield objective. Weighted average yield to maturity shall be the portfolio's performance measurement standard. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to optimize the interest earnings retained by the City, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations.

All investment-specific restrictions shall be measured at the time of purchase and based on portfolio book value.

The City maintains the following fund-type portfolios which will utilize the following specific investment considerations designed to address the unique characteristics of the pooled fund groups or separately held investment assets represented in the portfolios:

(1) Operating Funds

This pooled investment group includes the total of cash and investments available for current operations plus all required operating reserves of the following fund types: general fund, internal service funds, debt service funds, special revenue funds, and enterprise funds.

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 365 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.

Liquidity - The Short-term Operating Funds require the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

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

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through three years.

Yield - Attaining a competitive market yield for comparable investment-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.

(2) Bond Proceeds and Capital Improvement Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Bond Proceeds and Capital Improvement Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market fluctuations may occur. However, by restricting the maximum maturity to three years and by managing the Bond Proceeds and Capital Improvement Funds to balance the short term and long term anticipated cash flow requirements, the market risk of the portfolio will be minimized.

Liquidity - Selecting investment maturities that provide greater cash flow than the anticipated needs and maintaining appropriate cash-equivalent balances will reduce the liquidity risk of unanticipated expenditures.

Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Bond Proceeds and Capital Improvement Funds to have securities with active and efficient secondary markets.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity, yield enhancement, and stability.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective, however this portfolio maintains an investment strategy intended to comply with any applicable arbitrage or yield restriction regulations.

(3) Debt Service Sinking Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Sinking Funds.

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

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

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

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.

Yield - Attaining a competitive market yield for comparable investment-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.

(4) Debt Service Reserve Funds

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.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces 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 three 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 reduce the opportunity for maturity extension.

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 concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

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

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.

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

Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector, when appropriate,
- Limiting investment in higher credit risk issuers,
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Competitive Environment

The City requires a competitive environment for all individual security purchases and sales, financial institution time deposit and 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 funds.

Delivery versus Payment

All security transactions shall be settled on a **delivery versus payment** basis.

VIII. PRIMARY DEPOSITORY AND BROKER/DEALERS

Primary Depository

At least every five years a Primary Depository shall be selected through the City's banking services procurement process, which shall include a formal request for application (RFA). The selection of a primary depository will be determined by evaluation of the "most advantageous" criteria during the RFA process, and may include the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet the minimum required items in the banking RFA,
- Complete response to all required items on the RFA form, and
- Competitive net banking service cost, consistent with the ability to provide an appropriate level of service.

Authorized Broker/Dealers

The Investment Committee shall, at least annually, review, revise and adopt a list of authorized broker/dealers authorized to engage in securities transactions with the City. Those firms that become qualified may be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories.

Investment Policy Certification

All local government investment pools and discretionary investment management firms must sign a certification acknowledging that the organization has received and reviewed the City's Investment Policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the City's Policy and in accordance with the PFIA.

IX. SAFEKEEPING AND CUSTODY

Safekeeping and Custodial Agreements

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's account as evidenced by safekeeping receipts of the institution holding the securities. The City shall approve all third-party custodians for the holding of securities pledged to the City as collateral to secure financial institution deposits.

Collateral Policy

The City has established a collateral policy in compliance with Government Code Chapter 2257, Public Funds Collateral Act. Deposits secured with irrevocable letters of credit shall have 100% of principal plus anticipated interest of the deposit, less any amount insured by the FDIC or NCUSIF. Deposits secured with pledged marketable securities shall have a market value equal to or greater than 102% of the principal plus accrued interest of the deposit, less any amount insured by the FDIC or NCUSIF. All deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. Financial institutions serving as City Depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the Depository and City contemporaneously with the acquisition of the asset;

- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Collateral Defined

Acceptable forms of collateral are limited to those authorized in the Public Funds Collateral Act.

Subject to Audit

All collateral shall be subject to inspection and audit by the City or the City's independent auditors.

X. REPORTING

Methods

Each quarter, the Investment Officer(s) shall prepare and submit to the City Council a written report of all investment transactions. The investment report will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Council and include the following:

- A listing of individual investments held at the end of the reporting period,
- Unrealized gains or losses resulting from appreciation or depreciation, by listing the beginning and ending book and market value of investments for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of the portfolio,
- Listing of investment by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the City's investment portfolio with State law and the Investment Policy (and incorporated Strategy) approved by the City Council.

This report must be prepared and signed by the Investment Officer(s) of the City.

In conjunction with the quarterly investment report, the Investment Officer(s) will verify from reliable sources market value of all securities and the current credit rating for each held investment that has a PFIA-required minimum rating.

Compliance Audits

The City, in conjunction with its annual financial audit, will require the audit firm to conduct a compliance audit of the management controls on investments and adherence to investment policies.

Also, in conjunction with the annual audit, the quarterly reports shall be formally reviewed by the City's independent auditor, and the result of the review shall be reported to the City Council by that auditor. Said results may be included in the annual audit report.

XI. INVESTMENT POLICY ADOPTION

The City Council shall adopt, by resolution, the Investment Policy. It is the City's intent to comply with State laws and regulations. The City's Investment Policy shall be subject to revisions consistent with changing laws, regulations, and the needs of the City. Additionally, the City Council shall adopt a resolution stating that it has reviewed the Investment Policy (and incorporated strategies) at least annually, approving any changes or modifications.

Attachment A

Approved Brokers/Dealers

Great Pacific Securities
Hilltop Securities
Multi-Bank Securities
RBC Capital Markets
Stifel
Wells Fargo Securities

Attachment B

Independent Training Sources

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



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 2025

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Burleson is in compliance with the Public Funds Investment Act and the City of Burleson Investment Policy and Strategies.



Disclaimer: These reports were compiled using information provided by the City of Burleson. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	March 31, 2025			June 30, 2025		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Deposit Account/Money Market Account	3.18%	\$ 17,563,974	\$ 17,563,974	3.32%	\$ 25,229,551	\$ 25,229,551
Pools/Money Market Fund	4.43%	15,947,794	15,947,794	4.41%	9,739,900	9,739,900
Securities	4.43%	54,998,822	55,151,073	4.37%	60,020,955	60,191,730
Certificates of Deposit	4.92%	56,619,408	56,619,408	4.56%	41,125,723	41,125,723
Total	4.47%	\$ 145,129,998	\$ 145,282,250	4.24%	\$ 136,116,129	\$ 136,286,904
<u>Average Yield - Current Quarter (1)</u>				<u>Fiscal Year-to-Date Average Yield (2)</u>		
Total Portfolio	4.24%			Total Portfolio	4.50%	
Rolling Three Month Treasury	4.37%			Rolling Three Month Treasury	4.42%	
Rolling Six Month Treasury	4.27%			Rolling Six Month Treasury	4.42%	
TexPool	4.30%			TexPool	4.40%	

<u>Interest Earnings (Approximate)</u>	
Quarter	\$ 1,479,065
Fiscal Year-to-date	\$ 5,063,665

(1) **Quarter End Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

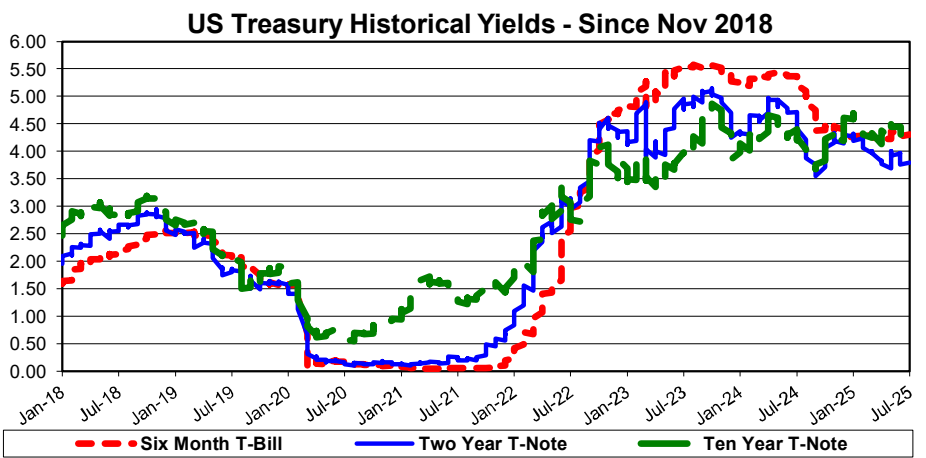
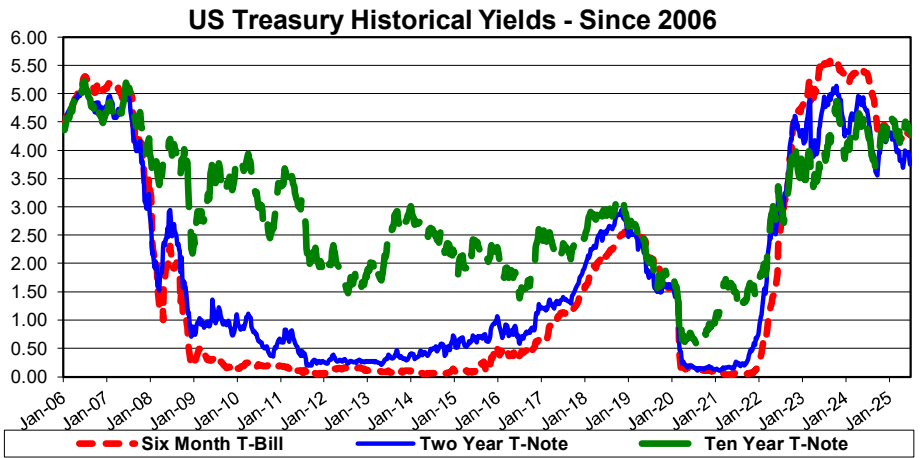
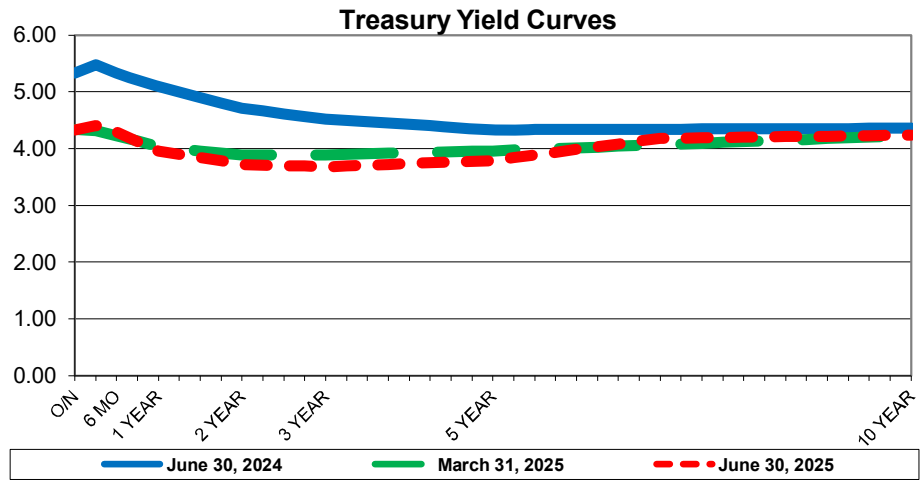
(2) **Fiscal Year-to-Date Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Investment Advisor Note: During market cycles where rates rise or fall, it is common to experience decreases or increases in market value of current investments. This is due to the value the market places on the asset in terms of its buying or selling ability on the current market day. The City's Investment Policy establishes a "buy and hold" portfolio strategy where investment maturities are targeted to match with identified cash flow requirements, and the investments mature at the anticipated time the cash is needed. The City does not intend to liquidate or redeem securities prior to maturity and will therefore not recognize the losses or gains from a pre-maturity sale. Instead, the City will report changes in market value as unrealized losses or gains as required by the PFIA and current accounting standards. As the security approaches maturity, the unrealized loss or gain will diminish, and at maturity the City will receive the full par value of the security.

Economic Overview

6/30/2025

The Federal Open Market Committee (FOMC) kept the Fed Funds target range at 4.25% - 4.50% (Effective Fed Funds trade +/-4.33%). Expectations for additional rate cuts are volatile with current estimates for two 0.25% cuts projected late 2025. June Non-Farm Payroll added +147k new jobs, prior months' revisions increased the Three Month Rolling Average to +150k (from the previous +135k). First Quarter 2025 final estimate GDP declined slightly to -0.5%. An Import surge increased the trade deficit. The S&P 500 Stock Index reached a new high (+/-6,175) from February's previous high (over 6,115). The yield curve still bottoms out in the 2-3 year maturity section. Crude Oil remains below \$70 per barrel. Inflation continues above the FOMC 2% target (Core PCE +/-2.7% and Core CPI +/-2.8%). Uncertainty abounds throughout global economic outlooks, tariff negotiations and violent political disruptions.



Investment Holdings

June 30, 2025

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
SouthState Bank Cash		0.00%	07/01/25	06/30/25	\$ 7,042,573	\$ 7,042,573	1.00	\$ 7,042,573	1	0.00%
SouthState Bank MMA		4.59%	07/01/25	06/30/25	1,394,774	1,394,774	1.00	1,394,774	1	4.59%
InterBank MMA		4.75%	07/01/25	06/30/25	100,382	100,382	1.00	100,382	1	4.75%
InterBank ICS		4.65%	07/01/25	06/30/25	13,246,715	13,246,715	1.00	13,246,715	1	4.65%
NexBank IntraFi MMA Savings		4.45%	07/01/25	06/30/25	3,445,107	3,445,107	1.00	3,445,107	1	4.45%
TexPool	AAAm	4.30%	07/01/25	06/30/25	116,051	116,051	1.00	116,051	1	4.30%
LOGIC	AAAm	4.41%	07/01/25	06/30/25	9,623,849	9,623,849	1.00	9,623,849	1	4.41%
East West Bank CD		5.25%	07/02/25	06/17/24	5,257,381	5,257,381	100.00	5,257,381	2	5.39%
East West Bank CD		4.22%	08/14/25	03/14/25	5,063,406	5,063,406	100.00	5,063,406	45	4.31%
USTN	Aa1/AA+	2.00%	08/15/25	10/09/24	5,000,000	4,985,971	99.68	4,984,180	46	4.29%
USTN	Aa1/AA+	5.00%	10/31/25	04/24/24	5,000,000	4,999,307	100.21	5,010,547	123	5.04%
USTN	Aa1/AA+	4.88%	11/30/25	10/09/24	10,000,000	10,028,091	100.21	10,021,094	153	4.18%
American Nat'l Bank & Trust CD		4.70%	01/25/26	07/25/24	15,659,891	15,659,891	100.00	15,659,891	209	4.80%
BOK Financial CDARS		4.11%	03/19/26	03/20/25	5,058,388	5,058,388	100.00	5,058,388	262	4.20%
FFCB	Aa1/AA+	4.88%	04/15/26	04/24/24	5,000,000	4,996,713	100.55	5,027,378	289	4.96%
FFCB	Aa1/AA+	4.88%	06/12/26	06/25/24	5,000,000	5,004,372	100.68	5,034,085	347	4.78%
USTN	Aa1/AA+	3.75%	08/31/26	10/29/24	5,000,000	4,978,249	99.76	4,987,891	427	4.14%
USTN	Aa1/AA+	4.63%	10/15/26	11/21/24	5,000,000	5,020,619	100.90	5,044,922	472	4.29%
FAMCA		4.23%	12/23/26	12/23/24	10,000,000	10,000,000	100.33	10,033,197	541	4.23%
USTN	Aa1/AA+	4.13%	02/15/27	06/09/25	10,000,000	10,007,632	100.48	10,048,438	595	4.07%
American Nat'l Bank & Trust CDARS		4.05%	03/25/27	03/27/25	5,053,542	5,053,542	100.00	5,053,542	633	4.13%
American Nat'l Bank & Trust CDARS		3.95%	04/29/27	05/01/25	5,033,114	5,033,114	100.00	5,033,114	668	4.03%
Total Portfolio					\$ 136,095,174	\$ 136,116,129		\$ 136,286,904	241	4.24%

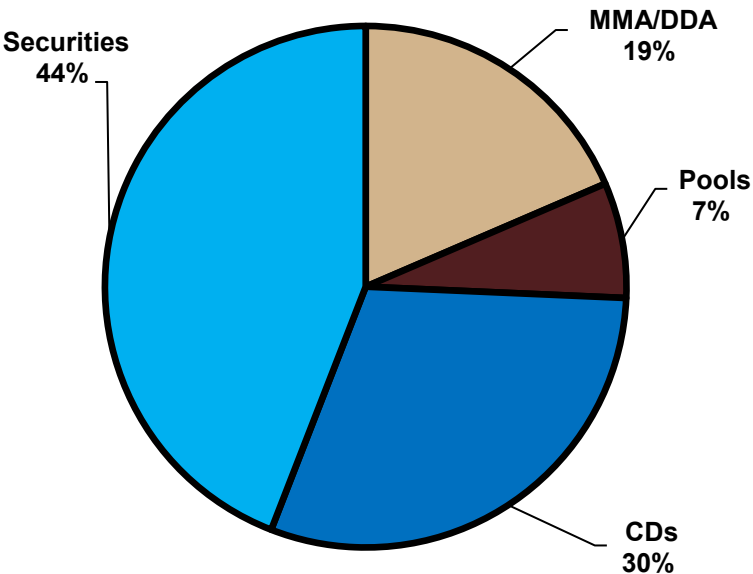
(1)

(2)

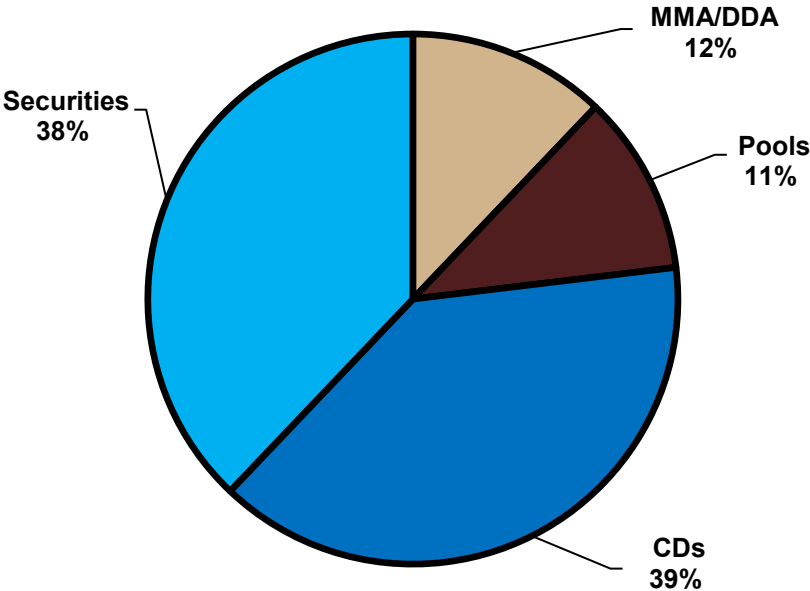
(1) **Weighted average life** - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, realized and unrealized gains/losses and investment advisory fees are not included. The yield for the reporting month is used for overnight bank and pool balances.

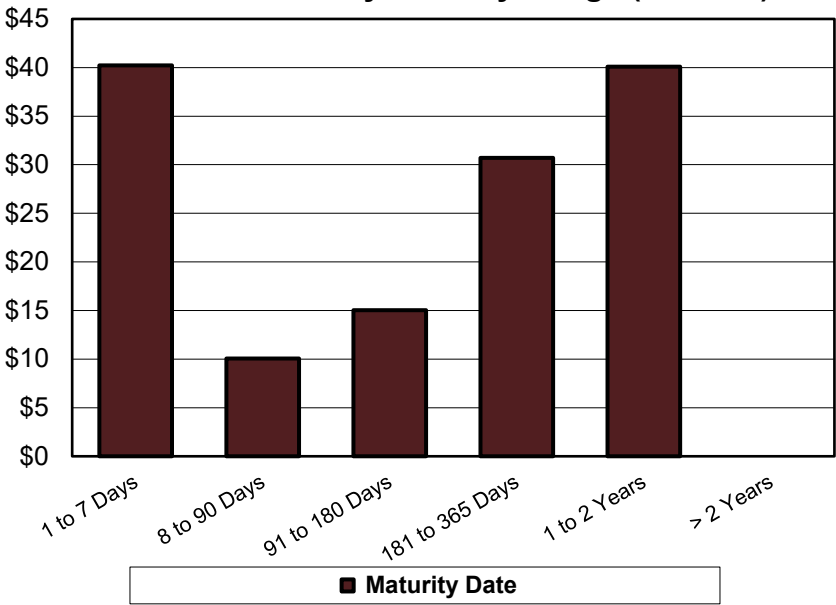
Composition - Current Quarter



Composition - Prior Quarter



Distribution by Maturity Range (Millions)



Book and Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/25	Increases	Decreases	Book Value 06/30/25	Market Value 03/31/25	Change in Market Value	Market Value 06/30/25
SouthState Bank Cash	0.00%	07/01/25	\$ 5,411,214	\$ 1,631,358	\$ —	\$ 7,042,573	\$ 5,411,214	\$ 1,631,358	\$ 7,042,573
SouthState Bank MMA	4.59%	07/01/25	3,270,770	—	(1,875,996)	1,394,774	3,270,770	(1,875,996)	1,394,774
InterBank MMA	4.75%	07/01/25	100,395	—	(13)	100,382	100,395	(13)	100,382
InterBank ICS	4.65%	07/01/25	5,374,692	7,872,023	—	13,246,715	5,374,692	7,872,023	13,246,715
NexBank IntraFi MMA Savings	4.45%	07/01/25	3,406,903	38,204	—	3,445,107	3,406,903	38,204	3,445,107
TexPool	4.30%	07/01/25	4,158,757	—	(4,042,706)	116,051	4,158,757	(4,042,706)	116,051
LOGIC	4.41%	07/01/25	11,789,037	—	(2,165,189)	9,623,849	11,789,037	(2,165,189)	9,623,849
FHLB	4.40%	04/04/25	4,997,606	—	(4,997,606)	—	4,997,570	(4,997,570)	—
East West Bank CD	5.40%	04/23/25	5,253,339	—	(5,253,339)	—	5,253,339	(5,253,339)	—
East West Bank CD	5.39%	05/28/25	5,213,707	—	(5,213,707)	—	5,213,707	(5,213,707)	—
East West Bank CD	5.42%	06/02/25	10,445,115	—	(10,445,115)	—	10,445,115	(10,445,115)	—
East West Bank CD	5.39%	07/02/25	5,211,458	45,923	—	5,257,381	5,211,458	45,923	5,257,381
East West Bank CD	4.31%	08/14/25	5,010,416	52,990	—	5,063,406	5,010,416	52,990	5,063,406
USTN	4.29%	08/15/25	4,958,217	27,754	—	4,985,971	4,957,031	27,148	4,984,180
USTN	5.04%	10/31/25	4,998,795	512	—	4,999,307	5,022,656	(12,109)	5,010,547
USTN	4.18%	11/30/25	10,044,799	—	(16,708)	10,028,091	10,044,531	(23,437)	10,021,094
American Nat'l Bank & Trust CD	4.80%	01/25/26	15,475,831	184,060	—	15,659,891	15,475,831	184,060	15,659,891
BOK Financial CDARS	4.20%	03/19/26	5,006,768	51,621	—	5,058,388	5,006,768	51,621	5,058,388
FFCB	4.96%	04/15/26	4,995,678	1,035	—	4,996,713	5,038,128	(10,750)	5,027,378
FFCB	4.78%	06/12/26	5,005,519	—	(1,147)	5,004,372	5,047,689	(13,604)	5,034,085
USTN	4.14%	08/31/26	4,973,614	4,635	—	4,978,249	4,984,766	3,125	4,987,891
USTN	4.29%	10/15/26	5,024,594	—	(3,975)	5,020,619	5,049,609	(4,688)	5,044,922
FAMCA	4.23%	12/23/26	10,000,000	—	—	10,000,000	10,009,093	24,104	10,033,197
USTN	4.07%	02/15/27	—	10,007,632	—	10,007,632	—	10,048,438	10,048,438
American Nat'l Bank & Trust CDARS	4.13%	03/25/27	5,002,775	50,767	—	5,053,542	5,002,775	50,767	5,053,542
American Nat'l Bank & Trust CDARS	4.03%	04/29/27	—	5,033,114	—	5,033,114	—	5,033,114	5,033,114
TOTAL / AVERAGE	4.24%		\$ 145,129,998	\$ 25,001,630	\$ (34,015,500)	\$ 136,116,129	\$ 145,282,250	\$ (8,995,346)	\$ 136,286,904