

AGENDA ITEM # 29

Consider authorizing advertising and setting date to receive proposals for urinalysis services for CSCD dept.

Moved: Judge Doerfler

Seconded: Commissioner Boatright

Motion: To authorize County Auditor advertising 10:00 a.m. on January 25, 2000, to receive proposals for urinalysis services for CSCD department.

Vote: Motion carried 3 - 0

AGENDA ITEM # 30

Consider authorizing advertising and setting date to receive proposals for electronic monitoring for CSCD dept.

Moved: Commissioner Hays

Seconded: Commissioner Boatright

Motion: To authorize County Auditor advertising 10:15 a.m. January 25, 2000, to receive proposals for electronic monitoring for CSCD department.

Vote: Motion carried 3 - 0

AGENDA ITEM # 31

Consider approving resolution pertaining to optional partial lump sum distribution on retirement.

Moved: Commissioner Hays

Seconded: Commissioner Boatright

Motion: To not exercise option to participate in optional partial lump sum distribution on retirement.

Vote: Motion carried 3 - 0

AGENDA ITEM # 32

Discuss and take appropriate action on adoption of investment policy.

Moved: Judge Doerfler

Seconded: Commissioner Hays

Motion: To approve adoption of investment policy.

Vote: Motion carried 3 - 0

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WILLIAMSON COUNTY INVESTMENT POLICY

OCTOBER 1999

**WILLIAMSON COUNTY INVESTMENT POLICY
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**WILLIAMSON COUNTY
INVESTMENT POLICY**

approved 12-14-99
John C. Daehler
I.

INVESTMENT AUTHORITY

In accordance with Section 116.112(a) of the Local Government Code and/or Title X Chapter 2256, Section 2256 005 (f) and (g), the Williamson County Treasurer, under the direction of the Williamson County Commissioners' Court, may invest the County funds that are not immediately required to pay obligations of Williamson County (County)

II. INVESTMENT OBJECTIVES**II.1 General Statement**

Funds of the County will be invested in compliance with federal and state laws, this investment policy and written administrative procedures. The County will invest according to investment strategies for each group of funds as they are adopted by the commissioners court resolution.

II.2 Safety and Maintenance of Liquidity

The County is concerned about the return of its principal; therefore, safety of principal is a primary objective in any investment transaction. The County's investment portfolio must be structured in conformance with an asset/liability management plan that provides for liquidity necessary to pay obligations as they become due.

II.3 Diversification

It will be the policy of the County to diversify its portfolio to eliminate the risk of loss resulting from a concentration of assets in a specific maturity (save and except zero duration funds), a specific issuer or a specific class of investments. Investments of the County shall always be selected to provide stability of income and reasonable liquidity.

II.4 Yield

The yield objective of the County is to earn the maximum rate of return allowed on its investments within the policies imposed by safety and liquidity objectives, investment strategies for each group of funds and state and federal law governing investment of public funds.

II.5 Maturity

Portfolio maturities will be structured to meet the obligations of the County first and then to achieve the highest rate of return of interest. When the County has funds not required to meet current-year obligations, maturity restraints will be imposed upon the investment strategy for each group of funds. The maximum allowable stated maturity of any individual investment owned by the County is twelve (12) months.

II.6 Quality and Capability of Investment Management

It is the County's policy to provide training as required by the Public Funds Investment Act. Periodic training in investments policy and procedures for the County Investment Officer, members of the Commissioners' Court and other County officials will be provided through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of county investment decisions. The County Investment Officer will be required to attend at least ten (10) hours of investment training each year.

II.7 Method of Monitoring

It will be the policy of the County to monitor pricing of investment by using a bid method of purchasing investments. No investments will be purchased for the County without first contacting three business organizations that have been approved by Commissioners' Court to do business with the County to obtain such bid.

III. INVESTMENT STRATEGY

The investment strategy of the County is as follows:

1. Matching the suitability of investments to financial requirements;
2. Preservation and safety of principal;
3. Maintain required liquidity,
4. Marketability of the investment, if need arises to liquidate,
5. Diversification of the portfolio,
6. Yield, and
7. Maturities controlled by the investment policy

IV. INVESTMENT RESPONSIBILITY AND CONTROL

IV.1 Investment Advisory Committee

The Investment Advisory Committee reviews investment policies and procedures, investment strategies, and investment performances. Members of the Committee include the County Judge, a County Commissioner, and the County Auditor. The County Investment Officer will serve as an ex-officio member of the committee. Members should have demonstrated knowledge and expertise in the area of finance, investments, or cash management. The Chair of the Committee will be elected by the Committee and the meetings will be quarterly or more frequently if needed.

IV.2 Liability of Investment Officer

The County Investment Officer is not responsible for any loss of County funds through the failure or negligence of the depository. This policy does not release the investment officer, or any other person for a loss resulting from any act of official misconduct, or negligence, or for any misappropriation of such funds.

IV.3 Audit

The County Commissioners' Court will review the policy annually and, at a minimum, will have an annual compliance audit of management controls on investments and adherence to established investment policies. The independent auditor will report the results of the audit to the County Commissioners' Court after completion of the audit.

IV.4 Standard of Care

Investments shall be made with judgement and care, under prevailing circumstances, that person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for the investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; liquidity, and yield.

In determining whether the investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration;

1. the investment of all funds, or funds under the County's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. whether the investment decision was consistent with the written investment policy of the County.

IV.5 Investment Institution Defined

The County Investment Officer shall invest County funds with any or all of the institutions or groups consistent with federal and state regulations and approved by the Commissioners' Court.

IV.6 Qualifications for Approval of Broker/Dealer

A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with the County. The qualified representative of the business organization seeking to sell an authorized investment shall execute a written instrument, provided by the County, that the business organizations has:

1. received and thoroughly reviewed the investment policy of the County, and
2. acknowledges that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the County and the organization.

The investment officer may not buy any securities from a person who has not delivered to the County the instrument signed by the qualified representative.

Along with the signed affidavit the business organization shall supply the County with the following:

1. Completed Broker/Dealer questionnaire.
2. Completed Anti-Collusion Agreement
3. Executed PSA Master Repurchase Agreement (primary dealers only)
4. Financial statements (to provided annually).
5. Delivery instructions.
6. NASD Certification Proof
7. Texas State Securities Commission Registration Proof

IV.7 Standards of Operation

The County Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program set by the Commissioners' Court of the County. The County Investment Officer shall determine the amount of cash available for payments by the County, invest the funds not required in the performance of that duty, and shall exercise good judgement and discretion to effectuate the policies herein set forth. The County Investment Officer shall be authorized to delegate to an employee(s) the authority to place orders for such investments and to perform all acts required to acquire, pay for, hold, sell, exchange, tender or collect investments. Such designated employee(s) must have achieved the same certifications and training hours as the County Investment Officer

IV.8 Delivery vs. Payment

It will be the policy of the County that all investment securities shall be purchased using "Delivery vs Payment" (DVP) method through the Federal Reserve System. By doing so, the County funds are not released until the County has received through the Federal Reserve wire, the securities purchased

V. INVESTMENT REPORTING AND PERFORMANCE EVALUATION

V.1 QUARTERLY REPORT

Not less than quarterly, the investment officer shall prepare and submit to the County Investment Advisory Committee and the County Commissioners' Court a written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period. The report must:

1. Describe in detail the investment position of the County on the date of the report;
2. Be signed by the investment officer of the County;
3. Contain a summary statement of each pooled fund group that states the;
 - A. beginning market value for the reporting period,
 - B. additions and changes to the market value during the period; and
 - C. ending market value for the period;
4. state the book value and market value of each separately invested asset at the beginning and the end of the reporting period by the type of asset and fund type invested
5. state the maturity date of each separately invested asset that has a maturity date,

6. state the account or fund or pooled group fund in the County for which each individual investment was required: and
- 7 state the compliance of the investment portfolio of the County as it relates to
 - A the investment strategy expressed in the County's investment policy, and
 - B relevant provisions of the chapter

V.2 Notification of Investment Changes

It shall be the duty of the County Investment Officer of the County to notify the County Commissioners' Court of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this policy or not

VI. INVESTMENT COLLATERAL AND SAFEKEEPING

VI.1 Collateral or Insurance

The County Investment Officer shall ensure that all County funds are fully collateralized or insured consistent with federal and state regulations and the current Bank Depository Contract in one or more of the following manners:

- 1 FDIC insurance coverage, and
2. United States Treasury obligations.

VI.2 Safekeeping

All purchased securities shall be held in safekeeping the County, or a County account in a third party financial institution, or with the Federal Reserve Bank

All certificates of deposit, insured by the FDIC, purchased outside the County Depository Bank shall be held in safekeeping by the County.

All pledged securities by the County Depository Bank shall be held in safekeeping with the Federal Reserve Bank

V11. INVESTMENT TYPES

V11.1 Authorized

The County Investment Officer shall use any or all of the following authorized investment instruments consistent with Title X, Chapter 2256, Texas Government Code:

- 1 obligations of the United States or its agencies and instrumentalities,
- 2 direct obligations of this state or its agencies and innstrumentalities;
- 3 no-load money market mutual funds,
 - A. regulated by the SEC;
 - B has a dollar-weighted average stated maturity of 90 days or less,
 - C includes in its investment objectives the maintenance of a stable \$1 00 net asset value per each share,
 - D limited in quantity to the requirements, set forth in Chapter 2256, Government Code Section 2256.014; and

- E. has supplied the County with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940
- 4. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies or instrumentalities; and
- 5. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment firm not less than A or its equivalent.
- 6. Certificates of deposit, if issued by a state or national bank domiciled in this state and is,
 - A. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor;
 - B. secured in any other manner and amount provided by law for deposits of the County.
- 7. a fully collateralized repurchase agreement, if it,
 - A. has a defined termination date;
 - B. is secured by obligations described by Section 2256 009 (a)(1) of the Public Funds Investment Act; and
 - C. requires the securities being purchased by the County to be pledged to the County, held in the county's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and
 - D. is placed through a primary government securities dealer, approved by the County, or a financial institution doing business in this state
- 8. commercial paper is an authorized investment, if the commercial paper,
 - A. has a stated maturity of 270 days or fewer from the date of its issuance, and
 - B. is rated not less than A-1 or P-1 or an equivalent rating by at least,
 - 1. two nationally recognized credit rating agencies,
 - 2. one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.
- 9. eligible investment pools in the County Commissioners' Court by resolution authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the Public Funds Investment Act. The County by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds; and
- 10. obligations acquired under Chapter 2256, Government Code, before the effective date of H.B. 2459 will be managed by the County Investment Officer until such securities are liquidated or mature.

VIII. NON - COUNTY FUNDS

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The Tax Assessor/Collector, County Clerk, and District Clerk funds fall into this category. These funds are not considered funds that belong to the County but could be considered

a liability for the County. All funds will be invested in compliance with the Public Funds Investment Act and the County's Investment Policy except when a court order is issued to follow a different procedure.

VIII.1 Tax Assessor/Collector

County funds are invested to enhance investment return for the County before the County receipts the funds. State of Texas funds in the custody of the Tax Assessor/Collector may be invested before remitting to the state

VIII.2 County Clerk Registry Funds

County Clerk Registry Funds are received by court order from either Commissioners' Court, County Court-at-Law, or County Courts. These funds must be deposited in the County depository and then invested according to the court orders. A court order is required from the County Courts and the County Courts-at-Law prior to disbursement of the funds

VIII.3 District Clerk Registry Funds

District Clerk Registry Funds are received by court order from the District Courts. These funds must be deposited in the County depository and then invested according to the court orders. A court order is required from the District Courts prior to the disbursement of the funds

VIII.4 County Treasurer's Adult Probation Funds

Funds designated as the "County Treasurer's Adult Probation" funds may be invested by the County Investment Officer upon an inter-governmental agreement with the Commissioners' Court and the Williamson County Community Supervision and Corrections Department. All funds invested will adhere to the policies and procedures as set forth in the County's investment policy.

VIII.5 Williamson County/Cities Health District Funds

The County Investment Officer upon an inter-governmental agreement approved by the Commissioners' Court may invest Williamson County/Cities Health District Funds. All funds invested will adhere to the policies and procedures as set forth in the County's investment policy

AGENDA ITEM # 33

Consider and action with respect to the Resolution Expressing Official Intent to reimburse certain expenditures regarding Brushy Creek Road improvements, not to exceed \$500,000.00.

Moved: Judge Doerfler

Seconded: Commissioner Boatright

Motion: To approve Resolution Expressing Official Intent to reimburse certain expenditures regarding Brushy Creek Road improvements, not to exceed \$500,000.00.

Vote: Motion carried 3 - 0

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RESOLUTION

RESOLUTION EXPRESSING OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES REGARDING CONSTRUCTING IMPROVEMENTS TO BRUSHY CREEK ROAD

WHEREAS, the Commissioners' Court of Williamson County, Texas (the "County") expects to pay expenditures in connection with the project described on Exhibit A attached hereto (the "Project") prior to the issuance of obligations to finance the Project; and

WHEREAS, the County finds, considers and declares that the reimbursement of the County for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the County and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project;

THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS' COURT OF WILLIAMSON COUNTY, TEXAS:

Section 1. The County reasonably expects to incur debt, as one or more separate series of various types of obligations, with an aggregate maximum principal amount not to exceed \$500,000 for the purpose of paying the costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the County in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.