

STATE OF TEXAS X  
COUNTY OF SUTTON X

IN THE COMMISSIONERS COURT  
SUTTON COUNTY, TEXAS

FEBRUARY 23, 2016

COMMISSIONERS COURT ORDER RE:  
ANNUAL REVIEW OF INVESTMENT POLICY

BE IT REMEMBERED AT A MEETING OF Commissioners Court of Sutton County, Texas held on the 12th of January 2009, the court adopted for implementation the County Investment Policy;

WHEREAS, the Commissioners Court has on this day reviewed and approved said policy with no additions or deletions,

NOW, THEREFORE, it is hereby ADJUDGED and DECREED that the Sutton County Treasurer, the investment officer, has complied with requirements as stated in LGC Sec. 2256.005 (e) by submitting for review the noted investment policy dated January 12, 2009.

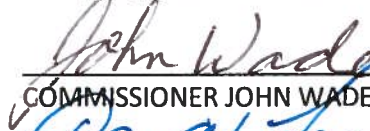
ORDERED THIS 23<sup>rd</sup> Day of February 2016.



JUDGE STEVE SMITH, COUNTY JUDGE



COMMISSIONER MIKE VILLANUEVA, PRECINT NO. 1



COMMISSIONER JOHN WADE, PRECINT NO. 2



COMMISSIONER CARL TEAFF, PRECINT NO. 3



COMMISSIONER FRED PEREZ, PRECINT NO. 4



ATTESTED BY:

COUNTY CLERK, RACHEL DURAN

EXHIBIT B

STATE OF TEXAS            }}  
                                  }}     **COUNTY INVESTMENT POLICY**  
COUNTY OF SUTTON        }}

WHEREAS, in compliance with the 1995 Legislative Session HB 2459, the Commissioners Court of Sutton county, Texas deems it necessary to have a written County Investment Policy, and

WHEREAS, this investment policy applies to all financial assets of all funds of Sutton County, Texas at the present time and any funds to be created in the future, and

WHEREAS, funds of Sutton County, Texas will be invested in accordance with federal and state laws and this investment policy, and

WHEREAS, it is Sutton County's policy to provide training by the Public Funds Act, Section 2256.08 and periodic training in investments for the County Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the County Investment Officer in making investment decisions, and

WHEREAS, the County Investment Officer shall invest county funds with any institution or group consistent with federal and state law and the current Depository Bank contract, and

WHEREAS, the County Investment Officer will establish liaison with Sutton County's auditor in preparing investment forms to assist Sutton County's auditor for accounting and auditing control, and

WHEREAS, in accordance with Government Code Section 2256.006 investments shall be made with judgment and care prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of person's own affairs-not for speculation, but for investment-considering the probable safety of capital and the probable income to be derived, and

**Funds Included:**

This investment policy applies to all financial assets of all funds of Sutton County, Texas, at the present time, and any and all funds to be created in the future, and any other funds held in custody by the Sutton County Treasurer, unless expressly prohibited by law, or unless it is in contravention of any depository contract between Sutton County, Texas and any depository bank.

**County Investment Officer:**

In accordance with Local Government Code Section 116.112(a) and/or Government Code Section 2256.005(f) and (g), the Sutton County Treasurer, under the direction of the Commissioner's Court of Sutton County, may invest Sutton County funds that are not immediately required to pay obligations of Sutton County. The Sutton County Commissioner's Court shall designate by resolution one or more officers or employees as County Investment Officer.

If the County Investment Officer has a personal business relationship with an entity, or is related within the second degree by affinity or consanguinity to an individual, seeking to sell an investment to Sutton County, the County Investment Officer must file a statement disclosing that personal business interest or relationship with the Texas Ethics Commission and the Commissioner's Court of Sutton County in accordance with Government Code Section 22456.005(i).

**Investment Objectives:**

Funds of Sutton County will be invested in accordance with federal and state laws and this investment policy.

Sutton County is concerned about the return of its principal, therefore, safety of principal is a primary objective in any investment transaction. Sutton County's investment portfolio must be structured in conformance with a management plan which provides for liquidity necessary to pay obligations as they become due. Investments of Sutton County shall always be selected that provide for stability of income and reasonable liquidity. It will be the objective of Sutton County to earn the maximum rate of return allowed on its investments within the policies imposed by its safety and liquidity objectives, investment strategies, and state and federal law governing investment of public funds. Portfolio maturities will be structured to meet the obligations of Sutton County first and then to achieve the highest return of interest. When Sutton County has funds that will not be

needed to meet current year obligations, maturity restraints will be imposed based upon the investment strategy for each fund. The maximum allowable stated maturity of any individual investment owned by Sutton County is one year. Any individual investment owned by Sutton County shall have a marketability, such that if the need arises to liquidate the investment before maturity, such option exists with the investment.

**Quality and Capability of Investment Management:**

It is Sutton County's policy to provide training required by the Public Funded Act, Section 2256.008 and periodic training in investments for the County Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and currency of the County Investment Officer in making investment decisions.

**Standard of Care:**

In accordance with Government Code Section 2256.006, 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. Investment of funds shall be governed by the following investment objectives, in order of priority:

- A. Preservation and safety of principal
- B. Liquidity, and
- C. Yield.

**Investment Reporting and Performance Evaluation:**

In accordance with Government Code Section 2256.023, not less than quarterly, the County Investment Officer shall prepare and submit to the Commissioner's Court of Sutton County a written report of investment balances for all funds for the preceding reporting period within a reasonable time after the end of the period. The report must describe in detail the investment position of Sutton County on the date of the report by stating the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.