

TYLER COUNTY COMMISSIONERS COURT  
SPECIAL MEETING  
April 6, 2015 ---- 8:30 a.m.

THE STATE OF TEXAS                      ON THIS THE 6th day of April, 2015 the Commissioners Court in and for Tyler County, Texas convened in a Special Meeting at the Commissioners Courtroom in Woodville, Texas, the following members of the Court present, to wit:

|                       |                          |
|-----------------------|--------------------------|
| JACQUES L. BLANCHETTE | COUNTY JUDGE, Presiding  |
| MARTIN NASH           | COMMISSIONER, PCT. #1    |
| RUSTY HUGHES          | COMMISSIONER, PCT. #2    |
| JACK WALSTON          | COMMISSIONER, PCT. #4    |
| DONECE GREGORY        | COUNTY CLERK, Ex-Officio |

The following were absent: Commissioner Marshall hereby constituting a quorum. In addition to the above were:

|                |                  |
|----------------|------------------|
| JACKIE SKINNER | COUNTY AUDITOR   |
| SUE SAUNDERS   | COUNTY TREASURER |

**Commissioner Nash** motioned to approve the proposal for work by Mathews Construction Company in connection with **CR 1325 extension**. The motion was seconded by **Commissioner Hughes**. All voted yes and none no. SEE ATTACHED

The **County Treasurer** presented an Investment Committee report. Mrs. Saunders reported that she removed the "banks that were at the bottom"; and, added federal credit unions to the approved investment institutions to the policy. Also, she had \$400,000 from cashed in CDs from First National Bank to which she invested \$250,000 with First National Bank of Wichita Falls with at least 1% interest rate, after the investment meeting. She would like to make some short term, staggered investments with the remainder of the \$400,000 plus \$500,000 out of the jail interest and sinking fund with credit unions, if the policy changes are approved. A motion was made by **Commissioner Nash** to approve the changes to the **Tyler County Investment Policy**. **Commissioner Walston** seconded the motion. All voted yes and none no. SEE ATTACHED

**Judge Blanchette** read a recap statement for the minutes concerning **New York Life Insurance premiums**: He was approached by a person known to him representing a benefits product to which he redirected them to Sue (Saunders) being the benefits overseer. Being a new person, new position, she evaluated the product. It was different than what the county was offered as a county paid benefit. She requested it be an agenda item as a "consider and approve" action. The judge reclassified it as a no action/presentation only item. The product offered to the elected officials and employees as an individual purchase item. As of March 17<sup>th</sup>, there were 32 employees or elected officials that had selected the product as a personal benefit. Then he received a call from Steve (Evans) and fielded some concerns and evaluated the payroll deduction option and determined that it appeared to not require commissioners' court approval. The commissioners were approached by Steve regarding the same issue as well as some additional concerns. The commissioners sought a legal opinion and discussed the opinion with the auditor and agreed because of the fact that it had a group inclusion as opposed to an individual type of approach that it would be best to pass through commissioners' court. So the question is, do we cancel the program by not approving the payroll deduct for those who have already acted on participating in this and acted in good faith believing they could exercise a payroll deduction option or do we just learn this, chalk it up as a learning experience and seek to try to prevent any additional problems. So the question before us is do we move forward and put on record that we will approve payroll deduction for the employees and elected officials who have participated. Since March 17<sup>th</sup> there have been several who have chosen not to continue participating and advised Sue so that she has taken them off the payroll deduction. "So that is the question before us." Judge Blanchette called for the moving of the payroll deduction for employees and elected officials. **Commissioner Walston** made the motion. The motion died for the lack of a second.

Court entered into EXECUTIVE SESSION at 8:40 a.m. Executive session ended at 8:45 a.m. No action was taken


**Commissioner Walston** made a motion to adjourn. **Commissioner Nash** seconded the motion. All voted yes and none no.

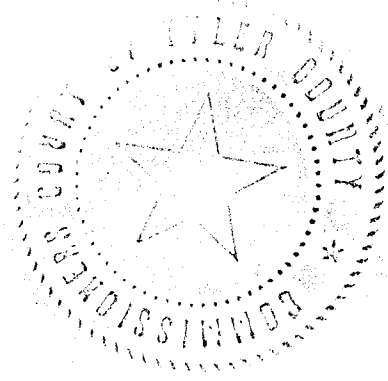
THERE BEING NO FURTHER BUSINESS, THE MEETING ADJOURNED:8:45 a.m.

Commissioners' Court  
April 6, 2015

I, Donece Gregory, County Clerk and ex officio member of the Tyler County Commissioners Court, do hereby certify to the fact that the above is a true and correct record of the Tyler County Commissioners Court session held on April 6, 2015.

Witness my hand and seal of office on this the 18th day of May, 2015.

Attest:   
Donece Gregory, County Clerk, Tyler County, Texas



MATHEWS CONSTRUCTION COMPANY  
A BRANCH OF APAC-TEXAS, INC.  
P.O. BOX 330, JASPER, TEXAS 75951  
PHONE: 409-384-4520 FAX: 409-384-8699

## PROPOSAL

March 31, 2015

Tyler County PCT 1  
300 West Bluff Street  
Woodville, Tx 75979-5245

Attn: Mr. Martin Nash

Mathews Construction Company, A Branch of APAC-Texas, Inc. offers to furnish all Labor, equipment and material required for the performance of the following described work in connection with CR 1325 Extension.

### DESCRIPTION OF SCOPE OF WORK:

CR 1325 Extension:

Extend Pavement to CR 1400

- 1) Rotary Broom
- 2) Tack
- 3) 2" HMA 18' wide

TOTAL PRICE: \$24,912.00  
\*\*\*No Tax Included\*\*\*

MATHEWS CONSTRUCTION COMPANY  
A BRANCH OF APAC- TEXAS, INC.  
P.O. BOX 330, JASPER, TEXAS 75951  
PHONE: 409-384-4520 FAX: 409-384-8699

If you agree to these terms, prices and conditions, including the terms and conditions on the next page, please acknowledge acceptance by signing in the space provided and return the original hereof to us, retaining a copy for your files. The person signing for you below represents that he or she is fully authorized to enter into this Agreement.

Sincerely,



L.L. Mathews Jr.  
Area Manager  
Mathews Construction Company  
A Branch of APAC-Texas, Inc.

ACCEPTED:

\_\_\_\_\_  
(Firm Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name & Title)

\_\_\_\_\_  
(Date)

APAC-TEXAS, INC.

TERMS AND CONDITIONS – Proposal and Contract

Payment in full for all work performed hereunder during any month shall be made not later than the tenth (10<sup>th</sup>) day of the month next following. Final and complete payment for all work performed hereunder shall be made not later than fifteen (15) days after the completion of such work. Interest at the highest rate allowable under the laws of the in state which the work is done, or one and one half percent ( 1 ½%) per month, which ever is less, shall be charged and paid on all unpaid balances from the due date to the date we receive payment. You agree to pay in full all costs and expenses attorneys' fees. Payments received will be applied against open items on unpaid invoices in an order and sequence determined by APAC in its sole discretion. Any monies paid to you for our work shall be held in trust for our benefit.

We shall not become obligated to perform the work called for under this Proposal and Contract until we check and approve you credit. This Proposal and Contract shall be null and void if your credit is not approved. If credit conditions become unsatisfactory at any time prior to our completion of the work hereunder, you will furnish adequate security upon our request.

This document is the full agreement between us, regardless of any prior proposals or communications. Any deviations from the specifications or modification of the terms of this contract and any extra or incidental work, or reductions in work, shall be set forth in writing and signed by both parties prior to the making of such change. We will be compensated for any increase in our costs caused by such change, on the basis of the increase plus ten percent (10%) profit. If a time is set for the performance of work, and if, in our judgment, such change or other circumstances beyond our reasonable control will increase the time necessary for our performance, we will be granted a reasonable extension of time.

We will provide and pay for Worker's Compensation, General Liability and Property Damage Insurance. You agree to carry General Liability and Property Damage Insurance sufficient to protect yourself against any and all claims and liabilities arising from the performance of the work, including but not limited to claims arising under your agreement to indemnify and hold us harmless under this contract.

We shall be provided with suitable access to the work area. If our work is dependent upon or must be undertaken in conjunction with the work of others, such work shall be so performed and completed as to permit us to perform out work hereunder in a normal uninterrupted single shift operation.

Unless a time for the performance of our work is specified, we shall undertake it in the course of our normal operating schedule. We shall not be liable for any failure to undertake to complete, and may suspend, the work for causes beyond our reasonable control, including but not limited to fire, flood or other casualty; the presence on or beneath the work site of utilities, facilities, substances, or objects, including to any substance that in our opinion is hazardous or toxic or the reporting, remediation, or clean-up of which is required by any law or regulation (together " subsurface conditions"); Labor disputes or other disagreements; and accidents or other mishaps, whether affecting this work or other operations in which we are involved, directly or indirectly.

If for causes beyond our reasonable control our work is not completed within twelve (12) months after the date of your acceptance of the proposal, we may cancel this agreement at any time thereafter on ten (10) days notice. In such event (i) we shall be relieved of any further obligation with respect to the balance of the work; and (ii) we shall be entitled to receive final and complete payment for work performed by us to the date of cancellation within fifteen (15) days thereafter.

We shall not be responsible for, and you agree to indemnify and hold us harmless from, any suit, claim, liability, cost or expense arising from or in any way related to; sidewalks, driveways or other improvements located within our work area or designated areas of access, and to adjacent property and improvements; subsurface conditions; and any and all other alleged damages to persons or property, including but not limited to personal injury and death, arising from the performance of work, unless such alleged damages arise from our sole negligence. You further agree to indemnify and protect us and save us harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of your breach of any obligations and covenants of this contract. It is further understood we shall not be responsible for any damage to or deterioration of any of our work, whether completed or in process, resulting from any cause of causes beyond our reasonable control, including but not limited to failure of sub-grade or other subsurface conditions, or failure or inadequacy of any labor or materials not furnished and installed by us, whether or not such failure or inadequacy was or could have been known at the time our work was undertaken. You agree that the proper jurisdiction and venue for adjudication concerning this contract is Jefferson County, and you waive any right to jurisdiction and venue in any other place.

## TYLER COUNTY INVESTMENT POLICY

### **A. OBJECTIVES AND PRIORITIES**

The objectives of the Tyler County Commissioners' Court investment policy are as follows and in the following order of priority:

1. To comply with the laws of the State of Texas as defined in Government Code 10 (Chapter 2256), known as the Public Funds Investment Act (short title).
2. To provide for the preservation and safety of principal of all Tyler County funds.
3. To provide sufficient funds to meet the cash needs of the continuing operation of Tyler County.
4. To attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs, and consistent with current and future bank depository contracts.
5. To require diversification in the types, issuers, and maturities of Tyler County investments with due consideration to the quality of the investment.
6. To pursue an active versus / passive portfolio management philosophy; securities may be sold or exchanged before they mature if market conditions present an opportunity for Tyler County to benefit from the trade or if necessary to meet the cash needs of Tyler County. Under this investment policy, all investments will be made with the intent of pursuing, at the time of purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading.
7. To maintain the highest professional and ethical standards, with capable and high quality investment management, as custodians of the public trust.

**B. INVESTMENT SCOPE**

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

**C. INVESTMENT STRATEGY**

Tyler County Commissioners' Court has adopted an investment strategy for each of the funds under its control. Those are incorporated into this investment policy as Appendix A.

**D. INVESTMENT RESPONSIBILITY AND CONTROL**

**COUNTY INVESTMENT OFFICER**

In accordance with Government Code 10 (Chapter 2256), the County Treasurer, under the direction of the Tyler County Commissioners' Court, and with the tandem agreement of the County Auditor shall be the Tyler County Investment Officers and may invest County funds that are not immediately required to pay the obligations of the County. The Investment Officers are hereby bestowed all of the obligations and authorities contained in this Tyler County Investment Policy.

The County Treasurer/ County Auditor shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy. It is Tyler County's policy that the Treasurer and Auditor earn and maintain current certification as a Level II Investment Officer. Certification training must include education in investment controls, security risks, strategy risks, and market risks and must be in compliance with Government Code 10, Chapter 2256.

**STANDARD OF CARE**

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 the Investment Officers have exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the officers have responsibility rather than a consideration as to the prudence of a single investment, and whether the investment decision was consistent with Tyler County's Investment Policy.

**ETHICS AND CONFLICTS OF INTEREST**

The Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Investment Officers shall disclose to the Tyler County Commissioners' Court any material financial interests in financial institutions that conduct business with Tyler County and any personal financial/investment positions that could be related to the performance of the County's portfolio. The Investment Officers shall subordinate their personal investment transactions to those of the County, particularly with regard to the timing of purchases and sales.

**SUBJECT TO AUDIT**

The Tyler County Treasurer is subject to audit by the Tyler County Auditor. In addition, it is the policy of Tyler County Commissioners' Court, at a minimum, to have an annual audit of all County funds by an independent auditing firm. The Tyler County Treasurer and the County's investment procedures shall be subject to an annual compliance audit and any special audits as required.

**E. INVESTMENT DIVERSIFICATION**

It is the intent of the County to diversify the investment instruments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets. Diversification to avoid over concentration in a specific instrument does not apply to U.S. Treasury securities.

Tyler County recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. In the event of default by a specific issuer, the Investment Officer shall review, and if appropriate, proceed to liquidate securities having comparable credit risks. To control market price risks, volatile investment instruments shall be avoided.

**F. YIELD**

The Investment Officer shall strive to earn a competitive total return on the portfolio consistent with the objectives and priorities stated in this policy and the Investment Strategy outlined in Appendix A. Total return shall mean the interest or dividend payments and appreciation or depreciation of the principal of the investment.



## **G. LIABILITY**

The Tyler County Investment Officers shall not be responsible for any loss of the County's funds through the failure or negligence of any depository, nor any loss resulting from normal fluctuations in market value of investments or collateral securities. Nothing in this section shall release the Investment Officers from responsibility for misappropriation of funds by them.

## **H. INVESTMENT MATURITIES**

The timely and predictable return of principal shall be a priority of the Investment Officers. It is recognized that some securities authorized for investment are not best described by the term "maturity"; instead, terms such as average life, weighted average maturity or expected maturity are more descriptive. In this regard, the term "expected maturity" shall be used to mean the point in time when all accrued interest and principal is expected, at the time of purchase, to be returned to the County. The Investment Officer shall be responsible for a determination of expected maturity and shall report any significant deviation as specified in paragraph M. Reporting and Performance.

Notwithstanding the expected maturity of an investment, the maximum allowable stated maturity of an individual investment for Tyler County General funds and other operating funds shall not exceed two years, unless a temporary extension of maturities is approved by Commissioners' Court.

Debt service funds in individual investments shall have maximum stated maturities of five years unless a temporary extension of maturities is approved by Commissioners' Court.

For pooled fund groups, the maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio shall be two years.

## **I. AUTHORIZED INVESTMENTS**

Within the guidelines provided in Government Code 10 (Chapter 2256), Public Funds Investment Act (short title), and subject to such other restrictions as may be imposed by the Commissioners' Court by resolution or order, the Commissioners' Court of Tyler County, Texas has hereby adjudged and decreed that the following investments are allowed for Tyler County funds:

1. Obligations of, or Guaranteed by, Governmental Entities. Authorization: Government Code 10, Chapter 2256, Subchapter A, Section 2256.009.

(a) obligations of the United States or its agencies and instrumentalities;

- (b) direct obligations of this state or its agencies and instrumentalities;
- (c) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; and,
- (d) 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 and instrumentalities.

## 2. Certificates of Deposit.

Authorization: Government Code 10, Chapter 2256, Subchapter A, Section 2256.010.

A certificate of deposit is an authorized investment for Tyler County if the certificate of deposit is issued by a State or National bank domiciled in this state, a Savings and Loan Association domiciled in this state or a Federal Credit Union that is domiciled in this state and is:

- (a) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund or its successor
- (b) secured by obligations that are described by Section 2256.009 (a) including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities not authorized as investments under Section 2256.009, or
- (c) secured in any other manner and amount provided by law for deposits of the investing entity.

## 3. Repurchase Agreements.

Authorization: Government Code 10, Chapter 2256, Subchapter A, Section 2256.011.

In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described in I.1 above, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

A fully collateralized repurchase agreement is an authorized investment for Tyler County if the repurchase agreement:

- (a) has a defined termination date;
- (b) is secured by obligations described in I.1 above;
- (c) requires the securities being purchased by Tyler County be pledged to Tyler County, held in Tyler County's name, and deposited at the time the investment is made with Tyler County or with a third party selected and approved by Tyler County; and
- (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

Reverse security repurchase agreements are not allowed under this investment policy.

#### 4. Commercial Paper

Authorization: Government Code 10, Chapter 2256, Subchapter A, Section 2256.013

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:
  - A. two nationally recognized credit rating agencies; or
  - B. 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.

#### 5. Mutual Funds.

Authorization: Government Code 10, Chapter 2256, Subchapter A, Section 2256.014

A no-load money market mutual fund is an authorized investment if the mutual fund:

- a) Is regulated by the Securities and Exchange Commission;
- b) Has a dollar-weighted average stated maturity of 90 days or fewer;
- c) Includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share;

- d) Is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and
- e) Is invested exclusively in U.S. Treasury or Federal agency securities.

6. Public Funds Investment Pools.

Authorization: Government Code 10, Chapter 2256, Subchapter A , Section 2256.016.

A public funds investment pool is eligible for investment of Tyler County funds only if the particular pool is approved by resolution of the Tyler County Commissioners' Court .

**J. INVESTMENT INSTITUTIONS AND REPRESENTATIVES**

The Tyler County Treasurer and Auditor shall invest County funds with any or all of the following institutions or groups consistent with federal and state law and the current bank depository contract:

1. Depository Bank;
2. Other state or national banks domiciled in Texas that are insured by FDIC (or its successor);
3. Savings and loan associations domiciled in Texas that are insured by FSLIC (or its successor);
4. Credit Unions domiciled in Texas that are insured by Credit Union Share Insurance Fund (or its successor);
5. Public funds investment pools; or
6. Government securities brokers and dealers.

**AUTHORIZED INSTITUTIONS AND FIRMS**

Tyler County shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes by the Commissioners' Court. It shall be the policy of the County to place investments with and purchase securities only from authorized institutions and firms. A list of institutions which are approved to do business with the County shall be reviewed periodically and be included as Appendix B to this investment policy.

**BROKER/DEALERS**

Broker/dealers must submit annual audited financial statements to Tyler County and be in good standing with the Financial Industry Regulatory Authority (FINRA). Representatives of brokers/dealers shall be registered with the Texas State Securities Board.

**K. DELIVERY VS. PAYMENT**

It shall be the policy of the County that all funds involved in the transaction of investment securities be transferred using the delivery vs. payment (DVP) method through the Federal Reserve System. By so doing, County funds or securities are not released by a third party until the counterparty presents the agreed upon transaction.

**L. SAFEKEEPING**

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

All certificates of deposit, insured by the U. S. Government, purchased outside the Depository Bank shall be held in safekeeping by either the County or an account in a third party financial institution.

All pledged securities by the Depository Bank shall be held in safekeeping by the County, or in a third party financial institution, or with a Federal Reserve Bank.

All certificates of deposit, pledged by the Depository Bank shall be held in custody of a Federal Reserve Bank for safekeeping, be the subject of a valid pledge agreement designating the County as the beneficiary of the pledge agreement; be insured by the U.S. Government; be described in detail by a safekeeping receipt issued to the County by the Federal Reserve Bank.

**M. REPORTING and PERFORMANCE**

**MONTHLY REPORT**

The County Treasurer shall submit to the Commissioners' Court and to the County Auditor monthly investment reports that summarize recent market conditions and anticipated investment conditions.

**QUARTERLY REPORT**

The County Treasurer shall prepare and submit to Tyler County Commissioners' Court written quarterly reports of investment transactions for all funds for the preceding quarter.

The reports must :

1. Describe in detail the investment position of Tyler County on the date of the report;
2. Be signed by the County Treasurer;
3. Contain a summary statement of each pooled fund group that states beginning market values, changes in market values, and ending market values for the reporting period;

4. State the book value and 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;
5. State the maturity date of each separately invested asset that has a maturity date;
6. State the fund for which each individual investment was acquired; and
7. State the compliance of the investment portfolio as it relates to the investment strategy expressed in the Tyler County Investment Policy and relevant provisions of Government Code 10, Chapter 2256.

**NOTIFICATION OF INVESTMENT CHANGES**

It shall be the duty of the Tyler County Treasurer to notify the Tyler County Commissioners' Court of any significant changes in current investment methods and procedures prior to their implementation.

**N. INVESTMENT COMMITTEE**

Tyler County Commissioners' Court has established an Investment Committee. Members of the Investment Committee are the County Treasurer, who chairs the Committee, the County Judge, one County Commissioner, the County Auditor, the County Clerk, and a non-voting representative of the District Attorney's office.

The Investment Committee shall meet at least quarterly to assess investment strategies and transactions.

**O. CHANGE IN POLICY**

The Tyler County Commissioners' Court expressly reserves the right to alter, add to and delete from this Investment Policy as they so choose.

## APPENDIX A

### INVESTMENT STRATEGY

#### **GENERAL FUND**

Suitability - The primary investment objectives of this fund are preservation of principal and liquidity; income is secondary. The investments must be appropriate to meet the needs and circumstances of the Tyler County General Fund. The Investment Officer shall use reasonable judgment to determine whether the investment is applicable to the portfolio needs of Tyler County.

Preservation and Safety of Principal - The Investment Officer shall exercise diligence and thoroughness in making an investment transaction. Receipts for confirmations of trades will include information on trade date, par value, maturity, price, settlement date, description of securities purchased, and they will show Tyler County as the purchaser.

Liquidity - Maturities must be laddered to meet scheduled Accounts Payable and Payroll needs of Tyler County.

Marketability if Liquidation Arises - Investments will be made with the intent of pursuing, at the time of purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading. Securities, however, may be sold or exchanged before they mature if market conditions present an opportunity to benefit from the trade or if necessary to meet cash needs. Careful consideration will be given to the effect of the sale on the remaining portfolio.

Diversification of Portfolio - The investment portfolio will be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U. S. Treasury securities.

Yield - Cash flow forecasts are used to make investment decisions. All available funds should be invested to earn interest for Tyler County. Moderate income volatility is permitted. Financial risk is unacceptable, and because the investment time horizon of the fund is relatively short, exposure to interest rate risk and purchasing power risk will be minimal.

#### **EMERGENCY DISASTER RELIEF FUND**

Suitability - The primary investment objectives of this fund are preservation of principal and liquidity; income is secondary. The investments must be appropriate to meet

unforeseen emergencies. The Investment Officers shall use reasonable judgment to determine whether the investment can be accessible if required.

Preservation and Safety of Principal - The Investment Officers shall exercise diligence and thoroughness in making an investment transaction. Receipts for confirmations of trades will include information on trade date, par value, maturity, price, settlement date, description of securities purchased, and they will show Tyler County as the purchaser.

Liquidity - Investments must be in issuers and denominations that can be readily liquidated in the open market should a need arise for the funds. Securities may be sold before they mature if an emergency need arises.

Diversification of Portfolio - The investment portfolio will be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U. S. Treasury securities.

Yield - Investments will be made with the intent of pursuing, at the time of purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading.

#### **COUNTY AND DISTRICT CLERK RMP FUND**

Suitability - The primary investment objectives of this fund are preservation of principal and liquidity; income is secondary. The investments must be appropriate to meet the needs for which the funds were established.

Preservation and Safety of Principal - The Investment Officers shall exercise diligence and thoroughness in making an investment transaction. Receipts for confirmations of trades will include information on trade date, par value, maturity, price, settlement date, description of securities purchased, and they will show Tyler County as the purchaser.

Liquidity - Funds must be available to be used in the manner authorized.

Marketability if Liquidation Arises - Investments will be made with the intent of pursuing, at the time of purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading. Securities, however, may be sold or exchanged before they mature if market conditions present an opportunity to benefit from the trade or if necessary to meet cash needs. Careful consideration will be given to the effect of the sale on the remaining portfolio.

Diversification of Portfolio - Because the funds are subject to fluctuating needs, diversification is limited to highly liquid investment types.



Yield - Cash flow forecasts are used to make investment decisions. All available funds should be invested to earn interest. Enough of the funds will be invested in nonvolatile, liquid investments to ensure payments when due. Moderate income volatility is permitted. Financial risk is unacceptable, and because the investment time horizon of the fund is relatively short, exposure to interest rate risk and purchasing power risk will be minimal.

#### **JAIL INTEREST & SINKING FUND**

Suitability – Principal and interest payments are due on a semi-annual schedule and investments must be appropriate to that purpose. The primary investment objectives of this fund are preservation of principal and liquidity.

Preservation and Safety of Principal - The Investment Officers shall exercise diligence and thoroughness in making an investment transaction. Receipts for confirmations of trades will include information on trade date, par value, maturity, price, settlement date, description of securities purchased, and they will show Tyler County as the purchaser.

Liquidity – At the time of purchase, a principal maturity and/or an interest coupon maturity must be guaranteed so as to meet the semi-annual interest and sinking payments scheduled.

#### **GRANT FUNDS**

Suitability - Grant requirements state that funds must be disbursed upon receipt. There is no opportunity, therefore, for investment earnings.

Preservation and Safety of Principal - Funds are deposited for safekeeping and disbursed to comply with grant requirements.

Liquidity - Funds must be available to be used in the manner authorized.

#### **PAYROLL FUND**

Suitability – These funds serve as a clearing account to meet payroll needs. The only investment suitable is an interest-earning depository bank account to take advantage of float.

Preservation and Safety of Principal – Funds are deposited for safekeeping and the account is debited as checks are cleared.

Liquidity – Funds must be available to cover checks drawn on the account.

**OTHER FUNDS**

Suitability – Other funds are established by Tyler County so as to meet specific accounting needs. The only investments suitable are interest-earning depository bank accounts when appropriate.

Preservation and Safety of Principal - Funds are deposited for safekeeping and disbursed as needed.

Liquidity – Funds must be available to cover checks drawn on the accounts.

**APPENDIX B**

**Tyler County Authorized List of Brokers/Dealers  
June 9, 2014**

| <u>INSTITUTION</u>   | <u>BROKER/DEALER</u>   |
|--|--|
| 1. Funds Management Group, Inc.<br>4900 Woodway, Suite 545<br>Houston, TX 77056<br>800-683-3644                | Cash Account Trust<br>Robert L. Ross, President/Asset Servicing Agent<br>Joan Alexander, Senior Vice President/ASA<br>800-683-3644 713-626-5741      |
| 2. UBS Financial Services Inc.<br>1285 Avenue of the Americas<br>New York, NY 10019<br>212-713-2000            | Richard Ebert, 1st V-President-Investments<br>10001 Woodloch Forest Drive, Suite 100<br>The Woodlands, TX 77380<br>800-522-6222                      |
| 3. Raymond James and Associates, Inc.<br>5599 San Felipe Road, Suite 1090<br>Houston, TX 77056<br>800-869-9966 | Scott Waltmon, Vice President<br>David McLeroy, Vice President<br>5599 San Felipe Road, Suite 1090<br>Houston, TX 77056<br>713-787-2126 800-869-9966 |
| 4. Coastal Securities, Inc.<br>5555 San Felipe Ste 2200<br>Houston, TX 77056<br>800-489-3232 713-435-4300      | Steven Albert, Managing Director<br>401 RR 620 South Suite 225<br>Austin, TX 78734<br>512-807-2020 800-423-8037                                      |



*Marshall Absent + Jackie & Sue*  
**TYLER COUNTY COMMISSIONERS COURT**

Courthouse, Room 101 / Woodville, Texas

Monday  
April 6, 2015  
8:30 AM

MARTIN NASH  
Commissioner, Pct. 1

RUSTY HUGHES  
Commissioner, Pct. 2

JACQUES L. BLANCHETTE  
County Judge

MIKE MARSHALL  
Commissioner, Pct. 3

JACK WALSTON  
Commissioner, Pct. 4

**NOTICE** Is hereby given that a *Special Meeting* of the Tyler County Commissioners Court will be held on the date stated above, at which time the following subjects will be considered and/or discussed;

## Agenda

➤ **CALL TO ORDER**

- Establish Quorum
- Acknowledge Guests
- Invocation – *M. Marshall*
- Pledge of Allegiance – *M. Marshall*

**I. CONSIDER/APPROVE**

*N/H*

*Approve*  
A. **Proposal for work** by Mathews Construction Company in connection with CR 1325  
Extension – *M. Nash*

*N/W*

*Approve*  
B. **Changes to the Tyler County Investment Policy** – *J. Blanchette*  
*Union*

*Sue Add that Allows Credit*

*W/No second*

*? Approve*  
C. **Payroll Deductions for NY Life Insurance premiums** for employees – *J. Blanchette*  
*- Judge stated for minutes → Motion →*

*8:40 AM — Exe Sess end @ 8:45 AM*

**III. EXECUTIVE SESSION**

Consult with District Attorney and/or her legal staff in executive session held in accordance with Texas Government Codes 555.071(1)(A), (2) regarding pending and/or contemplated litigation, and/or 551.074, regarding personnel matters, and/or property acquisition.

➤ **ADJOURN** w/N adj 8:45Am

I do hereby certify that the above Notice of Meeting of the Tyler County Commissioners Court is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice in the Tyler County Courthouse at a place readily accessible to the general public at all times and that said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting, as is required by Section 551.002 & 551.041.

Executed on \_\_\_\_\_ 2015 Time \_\_\_\_\_  
Donece Gregory, County Clerk/Ex Officio Member of Commissioners Court

By: \_\_\_\_\_ (Deputy)