

COUNTY OF LIVE OAK

THE STATE OF TEXAS

RESOLUTION

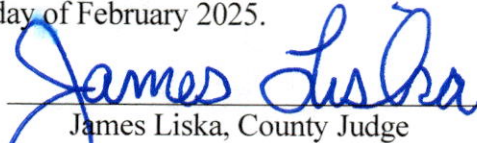
WHEREAS, the Live Oak County Commissioners Court has the foresight to create a Live Oak County Investment Committee in compliance of the Live Oak County Investment Policy; and

WHEREAS, the Treasurer Kitley Wasicek shall act as the Chairperson of said committee and be a voting member; and

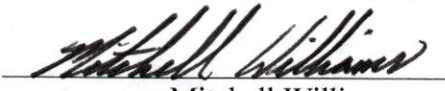
WHEREAS, the County Judge James Liska, Commissioner Mitchell Williams, County Auditor and Treasurer Kitley Wasicek are hereby appointed as a member of said committee and be voting members, and

NOW THEREFORE BE IT RESOLVED, the Investment Committee is charged with the taking reasonable measures to ensure compliance with the Public Funds Investment Act and the Live Oak County Investment Policy.

Approved this the 6th day of February 2025.


James Liska, County Judge


Richard Lee
Commissioner Precinct 1


Mitchell Williams
Commissioner Precinct 3


Randy Kopplin
Commissioner Precinct 2

Lucio Morin
Commissioner Precinct 4

Attest: 
Donna VanWay, County Clerk

INVESTMENT POLICY

LIVE OAK COUNTY, TEXAS

For the period January 1, 2025 -December 31, 2025

I. Investment Scope

General Statement

This policy serves to satisfy the statutory requirements of Local Government Code 116.112; Government Code Chapter 2256 and Government Code Chapter 2270 to define and adopt a formal investment policy.

Attached as Appendix C, D, E as per the 85th Regular Session of the Texas Legislature.

Funds Included

This investment policy applies to all financial assets of all funds of the County of Live Oak, Texas at the present time; any funds to be created in the future; 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 Live Oak County and any depository bank.

II. Investment Objectives

General Statement

Funds of the County will be invested in accordance with federal and state laws, this investment policy and written administrative procedures. The County will invest according to investment strategies for each fund as they are adopted by Commissioners' Court resolution in accordance with 2256.005(d).

Safety

The County is concerned about the return of its principal; therefore, safety of principal is the primary objective in any investment transaction.

Liquidity

The County's investment portfolio must be structured in conformity with an asset/liability management plan (mmp) which provides for liquidity necessary to pay obligations as they become due, utilizing investment instruments, the final maturity of which is two (2) years or less unless approved in advance by the Investment Advisory Committee.

Diversification

It will be the policy of the County to diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in specific maturities, a specific issuer or a specific class of investments. Investments of the County shall always be selected that provide for safety of principal, stability of income and reasonable liquidity prior to maturity.

Yield

It will be the objective of the County to earn the maximum rate of return allowed on its investments within the policies imposed by its safety and liquidity objectives, investment strategies for each fund, and all state and federal law governing investment of public funds.

Maturity

Portfolio maturities will be structured to meet the obligations of the County first and then to achieve the maximum rate of return consistent with liquidity requirements. When the County has funds that will not be needed to meet current-year obligations, maximum restraints will be imposed based upon the investment strategy for each fund.

Quality and Capability of Investment Management

It is the County's policy to provide training required by the Public Funds Act, Sec. 2256.008 and periodic training in investments for the County Treasurer, who is also named County Investment Officer, and other members of the Investment Advisory Committee through courses and seminars offered by professional organizations and associations in order to insure the quality, capability, professional expertise and timeliness of the County Investment Officer and other members of the Investment Advisory Committee in making investment decisions. The County Judge, the County Auditor and the County Commissioner are required to receive 10 PFIA hours of education every two calendar years. The Investment Officer will be required to achieve the CIO credential and maintain the CIO credential.

III. Investment Responsibility and Control

Investment Advisory Committee

It is further the purpose of this policy to establish an Investment Advisory Committee comprised of four (4) members. Those members being the County Judge, the County Treasurer/Investment Officer, the County Auditor and one Commissioner.

Each member of the investment committee shall attend at least one training session relating to the person's responsibilities on the investment committee and cover the PFIA within one year after being named to the investment committee for the first time. Members shall submit a copy of their respective certificates to the Investment Officer and the Live Oak County Commissioners' Court as a matter of record. The Investment Advisory Committee derives its authority and responsibility from the Commissioners' Court. It will be the responsibility of the committee to oversee the investment of the County's funds and those proprietary and fiduciary funds that Live Oak County has the responsibility and authority to invest. The Investment Officer shall serve as Chair of the Investment Committee and the County Auditor shall serve as Secretary. Meetings may be called, as deemed necessary, by any Investment Advisory member. A quorum consists of three members present.

County's Investment Officer

In accordance with sec.116.112 (a), Local Government Code and/or Government Code Chapter 2256, the County Investment Officer under the supervision of the Live Oak County Commissioners' Court, may invest County funds that are not immediately required to pay obligations of the County.

If the 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 of the county, the Investment Officer must file a statement disclosing that personal business interest, or relationship, with the Texas Ethics Commission and the Commissioners' Court in accordance with Government Code 2256.005(i).

The Investment Officer shall maintain the required education hours pursuant to the PFIA 2256.008 Investment Training: Local Governments

Liability of Investment Officer

In accordance with sec. 113.005, Local Government Code, the County Investment Officer is not responsible for any loss of the County funds through the failure or negligence of a depository. This section does not release the Investment Officer from responsibility for a loss resulting from the official misconduct or negligence of the Investment Officer, including a misappropriation of the funds, or from responsibility for funds until a depository is selected, and the funds are deposited. If the Investment Officer is other than the County Treasurer, that person must be fully bonded.

IV. Investment Reporting

Regular Reports

In accordance with the Government Code 2256.023, not less than quarterly, the investment officer shall prepare and submit to the Live Oak County Commissioners' Court a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

Annual report

Annually, the County Investment Officer will prepare a written fiscal year report concerning the County's investment transactions for the preceding year and describing the investment position of all the funds for which the County has the investment authority and responsibility as of the date of the report.

Notification of investment changes

It shall be the duty of the County Investment Officer of Live Oak County, Texas to notify the Live Oak 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.

V. Investment Types

Authorized

The County Investment Officer shall use any or all of the following authorized investment instruments consistent with the Government Code, Chapter 2256 unless noted excluded:

- | | |
|-----------------------------|---|
| a) Government Code 2256.009 | Authorized Investment: Obligations of, Guaranteed by Governmental Entities. |
| b) Government Code 2256.010 | Authorized Investment: Certificates of Deposit and Share Certificates. |
| c) Government Code 2256.011 | Authorized Investment: Repurchase Agreements. |
| d) Government Code 2256.012 | Authorized Investment: Banker's Acceptances |
| e) Government Code 2256.013 | Authorized Investment: Commercial Paper |
| f) Government Code 2256.014 | Authorized Investment: Mutual Funds |
| g) Government Code 2256.016 | Authorized Investment: Investment Pools |

Prohibited

The Live Oak County Investment Officer has no authority to purchase and is prohibited from purchasing any investment instruments pursuant to Government Code Chapter 2270.

Live Oak County further prohibits the following investments:

- | | |
|---------------------------|--|
| Government Code 2256.0115 | Authorized Investments; Security Lending Program |
| Government Code 2256.015 | Authorized Investments; Guaranteed Investments Contracts |

VI. Investment Responsibility and Control

Investment Institutions Defined

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

- A. depository bank;
- B. other state or national banks domiciled in Texas that are insured by FDIC;
- C. public funds investment pool; or
- D. primary government securities brokers and dealers.

Qualifications for Approval of Broker/Dealers

In accordance with 2256.005(k), a written copy of this investment policy shall be presented to any person seeking to sell to the County an authorized investment. The registered principal of the business organization seeking to sell an authorized investment shall prepare a letter for the County to the effect that the registered principal has:

- A. received and thoroughly reviewed the investment policy of the County; and
- B. acknowledged 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 purchase any securities from a person who has not delivered to the County an instrument in substantially the form provided above according to Section 2256.005(l).

The Investment Committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with Live Oak County.

Standards of Operation

The County Investment officer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

Audit control

The County Investment Officer will establish liaison with the Live Oak County Auditor in preparing investment forms to assist the County Auditor for accounting and auditing control.

The County Investment Officer is subject to audit by the Live Oak County Auditor. In addition, it is the policy of the Live Oak County Commissioners' Court, at a minimum to have an annual audit of all County funds, investments and investment procedures by an independent auditing firm. The County Investment Officer and the County's investment procedures shall be subject to an annual compliance audit of management controls on investments and adherence to the County's established investment policies in accordance with Government Code 2256.005(m).

Standard of Care

A, In accordance with Government Code 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:

- (1) preservation and safety of principal;
- (2) liquidity; and
- (3) yield.

B, In determining whether an 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 entity'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 entity.

VII. Investment Collateral and Safekeeping

Collateral or Insurance

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

- A. FDIC insurance coverage;
- B. obligations of the United States or its agencies and instrumentalities.
- C. direct obligations of the state of Texas or its agencies.
- D. other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the state of Texas or the United States or its agencies and instrumentalities.
- E. obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; or
- F. any other manner allowed by Government Code Chapter 2257 (Public Funds Collateral Act).

Safekeeping

All purchased securities shall be held in safekeeping by the County, or a County account in a third-party financial institution, or with a Federal Reserve bank. All certificates of deposit, insured by FDIC, purchased outside the depository bank shall be held in safekeeping by either the County or a County account in a third-party financial institution. All pledged securities by the depository bank shall be held in safekeeping by the County, or a County account in a third-party financial institution, or with a Federal Reserve bank.

LIVE OAK COUNTY - FUND INVESTMENT STRATEGY

GENERAL FUNDS - Accounts for all financial resources traditionally associated with governments which are not required legally to be accounted for in another fund. Shall be invested to ensure funds are available to meet operating demands.

SPECIAL REVENUE FUNDS - Accounts that are legally restricted to expenditure for a particular purpose. Usually grant funds under the direction of a certain department. Maturity is no longer than twenty-four (24) months except on special projects for which the department can provide cash flow projections.

CAPITAL PROJECT FUNDS - Acquisition and construction of major capital facilities. Invested to meet needs over the length of the project. Based on cash flow projections provided by the appropriate entity.

TRUST AND AGENCY FUNDS - Assets held by the County in a fiduciary capacity for other governmental entities. If invested, such funds shall be invested to ensure funds are available when reports and funds are disbursed.

SURPLUS FUNDS - Funds not expended during a budget year. Shall be maintained and accounted for using generally accepted accounting principles. May be used to increase yields to defer taxes.

TAX ASSESSOR/COLLECTOR - Funds that are collected for the state and county. Live Oak County tax funds are collected and invested until the receipts are balanced or as soon as practical. Maturities range from overnight or until needed. Funds collected and invested for the state shall have a maturity of no longer than thirty-four days.

COUNTY CLERK TRUST FUNDS - Funds that are deposited in the registry of the County Courts and the Commissioners' Court. Usually invested in a pooled fund, no-load money market mutual fund, insured certificates of deposit, savings accounts and money market checking accounts. Shall provide for immediate liquidity except when ordered invested with a longer maturity by the Court.

DISTRICT CLERK TRUST FUNDS - Funds that are deposited in the registry of the Districts Courts. Usually invested in a pooled fund, no-load money market mutual fund, insured certificates of deposit, savings accounts and money market checking accounts. Need immediate liquidity except when ordered invested with a longer maturity by the Court.

Live Oak County Broker Dealer List

Raymond James
Prosperity Trust Services
Ameriprise Financials Services LLC

Investment Pools List

Raymond James
Prosperity Trust Services
Ameriprise Financials Services LLC