



Jerry Yarbrough  
Lamb County Treasurer

100 6<sup>th</sup> Drive RM B4  
Littlefield, Texas 79339  
806-385-4222 Ext. 204

February 8, 2021

To Lamb County Commissioners Court:

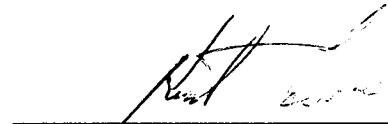
I am asking the Commissioner's Court to re-adopt the Investment Policy dated February 25, 2019, from the Lamb County Commissioner's Court Records of the same date.

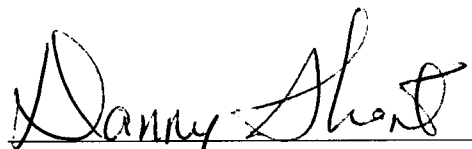
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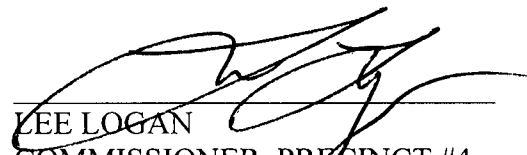
IN WITNESS WHEREOF, we hereunto set our hand to be affixed this 8th day of February 2021.

  
\_\_\_\_\_  
JAMES M. DELOACH, COUNTY JUDGE

  
\_\_\_\_\_  
CORY DEBERRY  
COMMISSIONER, PRECINCT #1

  
\_\_\_\_\_  
KENT LEWIS  
COMMISSIONER, PRECINCT, #2

  
\_\_\_\_\_  
DANNY SHORT  
COMMISSIONER, PRECINCT #3

  
\_\_\_\_\_  
LEE LOGAN  
COMMISSIONER, PRECINCT #4

ATTEST:   
\_\_\_\_\_  
TONYA RITCHIE, COUNTY CLERK



# INVESTMENT POLICY

## LAMB COUNTY, TEXAS

### I. INVESTMENT SCOPE

#### General Statement

This policy serves to satisfy the statutory requirements of Local Government Code 116.112 and Government Code Chapter 2256, the Public Funds Investment Act (P.F.I.A.) to define and adopt a formal investment policy. This policy shall be reviewed and adopted by resolution at least annually in accordance with G.C. Section 2256.005 (e).

#### Funds Included

This investment policy applies to all financial assets of all funds of the County of Lamb, 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 Lamb 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 G.C. 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 that provides for liquidity necessary to pay obligations as they become due.

#### 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.

# **INVESTMENT POLICY LAMB COUNTY, TEXAS**

## **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. The maximum allowable stated maturity of any individual investment owned by the County is thirty-six (36) months.

## **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 investments for the County Investment Officer through courses and seminars offered by professional organizations and associations in order to insure the quality, capability and timeliness of the County Investment Officer in making investment decisions.

### **III. INVESTMENT RESPONSIBILITY AND CONTROL**

#### **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.

#### **Investment Institutions Defined**

The Lamb County Investment Officer shall invest County Funds with any or all, of the following groups or institutions consistent with the governing law (Government Code, Chapter 2256):

1. Depository Bank;
2. Certificate of deposit if issued by state and/or national banks domiciled in this state or a savings and loan association domiciled in this state and is (Government Code 2256.010):
  1. Guaranteed or insured by the federal deposit insurance corporation, or its successor

# **INVESTMENT POLICY LAMB COUNTY, TEXAS**

3. Eligible investment pools (as discussed in the Public Funds Investment Act, Government Code Section 2256.016-2256.019) if the Commissioner's 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. A county, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
3. Licensed Government securities brokers and dealers.

## **Federally Qualifications for Approval of Broker/Dealers**

G. C. Section 2256.005, a written copy of this investment policy shall be presented to any person or entity offering to engage in investment transactions with Lamb County. The qualified representative of the business organization offering to engage in investment transactions with Lamb County shall execute a written instrument substantially to the effect that the business organization has;

1. Received and thoroughly reviewed the investment policy of Lamb County;
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities ;and
3. G. C. Section 2256.025 the broker must be deemed by Lamb County as qualified and authorized to engage in investment transactions with Lamb County.
4. The Investment Officer may not purchase any securities from a person who has not delivered to the County an instrument agreeing to the above according to G.C. Section 2256.005(e).

## **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.

## **Delivery vs. Payment**

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

## **Audit Control**

The County Investment Officer will establish liaison with the Lamb County Auditor in preparing investment forms to assist the County Auditor with accounting and auditing control. The County Investment Officer is subject to audit by the Lamb County Auditor. In addition, it is the policy of the Lamb 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

# **INVESTMENT POLICY LAMB COUNTY, TEXAS**

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**

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.

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.

## **IV. INVESTMENT REPORTING**

### **Regular Reports**

In accordance with Government Code 2256.023, not less than quarterly, the investment officer shall prepare and submit to the Lamb 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 prepared by the investment officer of the county and if any other officers a joint report.
3. Be signed by the investment officer of the county;
4. 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 reporting period;
  - c. Ending market value for the reporting period, and,
  - d. Fully accrued interest for the reporting period.
5. 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.
6. State the maturity date of each separately invested assets that have a maturity date;

# **INVESTMENT POLICY**

## **LAMB COUNTY, TEXAS**

7. State the account or fund or pooled group fund in the county for which each individual investment was acquired; and
8. State the compliance of the investment portfolio of the county as it related to ;
  - a. The investment strategy expressed in the county's investment policy; and,
  - b. Relevant provisions of the PFIA.

### **Notification of Investment Changes**

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

## **V. INVESTMENT TYPES**

### **Authorized Investments**

The Lamb County Investment Officer shall use any or all of the following authorized investment instruments consistent with governing laws and the PFIA contained in Texas Government Code Section 2256;

1. Obligations, including letters of credit, of the United States or its agencies
2. Direct obligations of this state or its agencies and instrumentalities.
3. Other Obligations , the principal and interest 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; and
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
5. Certificates of deposit and Share Certificates, are an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in this state and is;
  - a. Guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or its successor, or the National Credit Union Share Insurance Fund ("NCUSIF") or its successor: or
  - b. Secured in any other manner and amount provided by law for deposits of the county.
6. Money Market and Interest-Bearing Accounts with the depository bank or any participating bank. Must be covered by FDIC insurance or pledged securities that are acceptable in accordance with State and Federal Law.
7. Eligible investment pools (as discussed in the Public Funds Investment Act, Government Code Section 2256.016-2256.019) if the Commissioner's Court by resolution authorizes investment in the particular pool.
8. Direct repurchase agreement fully collateralized by U.S. Treasury Securities or U.S. Agency Securities.

# **INVESTMENT POLICY LAMB COUNTY, TEXAS**

## **Prohibited Investments**

The Lamb County Investment Officer will not invest in funds of any type or form of collateralized mortgage obligations of any description.

## **VI. INVESTMENT COLLATERAL AND SAFEKEEPING**

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;

1. FDIC insurance coverage;
2. Letters of Credit of the United States or its agencies
3. Obligations of the United States or its agencies
4. Any other manner allowed under 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 or letters of credit 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.

**INVESTMENT POLICY  
LAMB COUNTY, TEXAS**

**RESOLUTION**

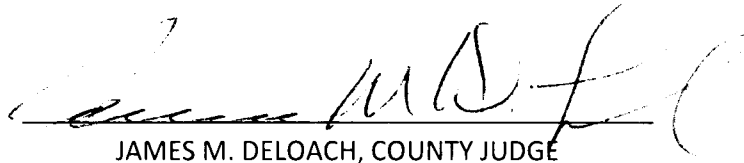
**RESOLUTION OF 2019 LAMB COUNTY INVESTMENT POLICY & STRATEGIES**

**WHEREAS**, the Texas Legislature set forth the Public Funds Investment Act in Government Code Section 2256, and

**WHEREAS**, compliance with the Public Funds Investment Act requires that each county review by resolution its County Investment Policy & Investment Strategies yearly.

**NOW, THEREFORE, BE IT RESOLVED**, the Commissioners' Court of Lamb County, in a regular meeting duly convened and acting in its capacity as the governing body of Lamb County, hereby Adopts the attached Lamb County Investment Policy, setting forth its investment strategies by fund type.

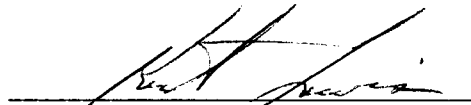
**IN WITNESS WHEREOF**, we have hereunto set our hands to be affixed this 8th day of February 2021.



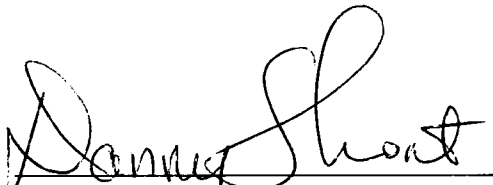
JAMES M. DELOACH, COUNTY JUDGE



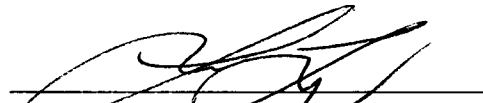
CORY DEBERRY  
COMMISSIONER, PRECINCT #1



KENT LEWIS  
COMMISSIONER, PRECINCT #2



DANNY SHORT  
COMMISSIONER, PRECINCT #3

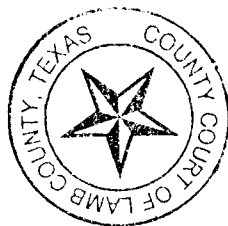


LEE LOGAN  
COMMISSIONER, PRECINCT #4

ATTEST:



TONYA RITCHIE, COUNTY CLERK





**INVESTMENT POLICY  
LAMB COUNTY, TEXAS**

COUNTY OF LAMB

ATTACHMENT A

THE STATE OF TEXAS

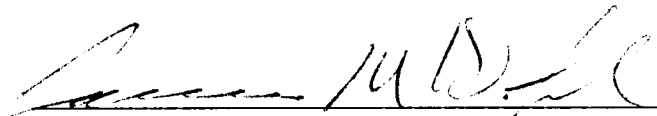
RESOLUTION

**WHEREAS**, the Public Funds Investment Act requires the Commissioners Court to appoint one or more County Investment Officer; and

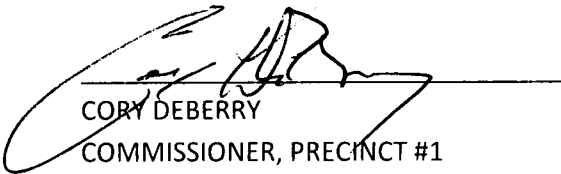
**WHEREAS**, the Commissioners Court of Lamb County wishes to comply with the Act and faithfully safeguard and properly invest the taxpayers' dollars;

**NOW THEREFORE BE IT RESOLVED**, that Lamb County Commissioner's Court hereby appoints **County Treasurer, Jerry Yarbrough**, or her successor, as County Investment Officer for the County of Lamb.

**IN WITNESS WHEREOF**, we have hereunto set our hands to be affixed this 8th day of February 2021.



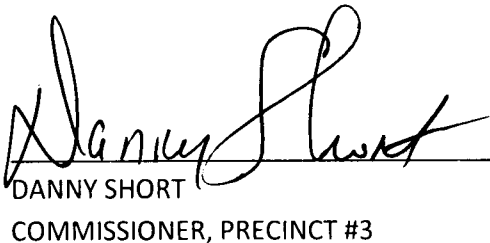
JAMES M. DELOACH, COUNTY JUDGE



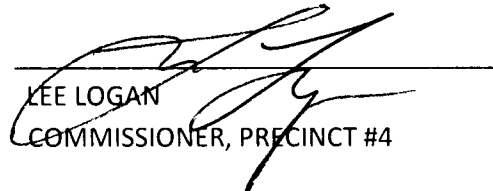
CORY DEBERRY  
COMMISSIONER, PRECINCT #1



KENT LEWIS  
COMMISSIONER, PRECINCT #2



DANNY SHORT  
COMMISSIONER, PRECINCT #3



LEE LOGAN  
COMMISSIONER, PRECINCT #4

ATTEST:



TONYA RITCHIE, COUNTY CLERK



# INVESTMENT POLICY LAMB COUNTY, TEXAS

## Investment Officer Training

It is Lamb County's policy to provide training required by the PFIA Government Code 2256.08 and periodic educational training related to the investment officer duties. The investment officer and any staff involved in the investment process shall attend these courses or at least one training session relating to the responsibilities under the PFIA within twelve months of taking office.

The investment officer and any staff involved in the investment process shall attend an investment training session not less than once in a two -year period and receive not less than ten (10) hours of instruction relating to investment responsibilities un the PFIA.

## Investment Compliance

Lamb County will abide by the law and will follow the guidelines of Texas Government Code Title 8 Subtitle A Chapter 808 – "Prohibition on Investment in Companies that Boycott Israel"

  
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JERRY YARBROUGH, COUNTY TRESURER / COUNTY INVESTMENT OFFICER