

Filed For Record B. Gram

MAY 14 2013

Becky Williams
County Clerk, Johnson County Texas



BY J. DEPUTY
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THE STATE OF TEXAS
COUNTY OF JOHNSON

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ORDER #2013-12

ORDER AUTHORIZING INVESTMENT OFFICER OF JOHNSON COUNTY TO INVEST COUNTY FUNDS THROUGH ELIGIBLE INVESTMENT POOLS OF TEXSTAR, TEXPOOL, AND TEXAS CLASS PURSUANT TO CHAPTER 2256 OF THE TEXAS GOVERNMENT CODE

The Johnson County Commissioners Court met on May 13, 2013 in regular session for the purpose of considering entering an order authorizing the investment officer of Johnson County to invest county funds through eligible investment pools of TexStar, TexPool and Texas Class pursuant to Chapter 2256 of the Texas Government Code.

A motion was made by Commissioner Jerry D. Stringer and seconded by Commissioner Kenny Howell to approve entering an order authorizing the investment officer of Johnson County to invest county funds through eligible investment pools of TexStar, TexPool and Texas Class pursuant to Chapter 2256 of the Texas Government Code by finding that TexStar, TexPool and Texas Class are an eligible investment pool meeting the requirements of Section 2256.016 of the Texas Government Code.

NOW THEREFORE BE IT RESOLVED AND ORDERED:

The Commissioners Court of Johnson County, Texas does hereby enter this order authorizing the investment officer of Johnson County to invest county funds through eligible investment pools of TexStar, TexPool and Texas Class pursuant to Chapter 2256 of the Texas Government Code finding that TexStar, TexPool and Texas Class are an eligible investment pool meeting the requirements of Section 2256.016 of the Texas Government Code.

This Order is based upon the Commissioners Court finding that TexStar, TexPool, and Texas Class are eligible investment pools and will invest the funds it receives from Johnson County in authorized investments permitted by Chapter 2256 of the Texas Government Code and the further finding that the investment pool has met the following requirements of Section 2256.016 of the Texas Government Code:

(a) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized

representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:

- (1) the types of investments in which money is allowed to be invested;
- (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
- (3) the maximum stated maturity date any investment security within the portfolio has;
- (4) the objectives of the pool;
- (5) the size of the pool;
- (6) the names of the members of the advisory board of the pool and the dates their terms expire;
- (7) the custodian bank that will safekeep the pool's assets;
- (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- (10) the name and address of the independent auditor of the pool;
- (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
- (12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

(b) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:

- (1) investment transaction confirmations; and
- (2) a monthly report that contains, at a minimum, the following information:

(A) the types and percentage breakdown of securities in which the pool is invested;

(B) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;

(C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;

(D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;

(E) the size of the pool;

(F) the number of participants in the pool;

(G) the custodian bank that is safekeeping the assets of the pool;

(H) a listing of daily transaction activity of the entity participating in the pool;

(I) the yield and expense ratio of the pool;

(J) the portfolio managers of the pool; and

(K) any changes or addenda to the offering circular.

(c) An entity by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

(d) In this section, "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

(e) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.

(f) To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, a public funds investment pool must have an advisory board composed:

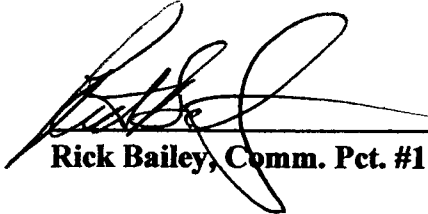
(1) equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or

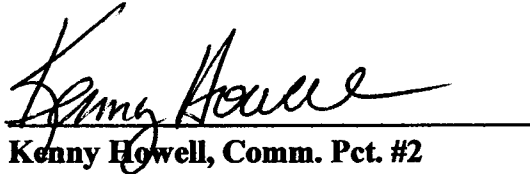
(2) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

(g) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

WITNESS OUR HAND THIS THE 13th DAY OF MAY, 2013.

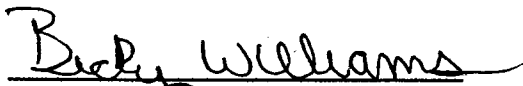

Roger Harmon, Johnson County Judge


Rick Bailey, Comm. Pct. #1


Kenny Howell, Comm. Pct. #2


Jerry D. Stringer, Comm. Pct. #3

Don Beeson, Comm. Pct. #4

ATTEST: 
Becky Williams, County Clerk

