

*Notice of Meeting and Agenda and Minutes  
October 26, 2015*

**SPECIAL, 10/26/2015 1:30:00 PM**

BE IT REMEMBERED that on October 26, 2015, there was begun and holden a SPECIAL session of the Commissioners Court of Jefferson County, Texas, with the following members and officers present and participating except those absent as indicated:

Honorable Jeff Branick, County Judge

Commissioner Eddie Arnold, Commissioner Pct. No. 1

Commissioner Brent Weaver, Commissioner Pct. No. 2

Commissioner Michael Sinegal, Commissioner Pct. No. 3

Commissioner Everette D. Alfred, Commissioner Pct. No. 4

Honorable G. Mitch Woods, Sheriff (ABSENT)

TIM SMITH

Honorable Carolyn L. Guidry , County Clerk

When the following proceedings were had and orders made, to-wit:

*Notice of Meeting and Agenda and Minutes*  
October 26, 2015

Jeff R. Branick, County Judge  
Eddie Arnold, Commissioner, Precinct One  
Brent A. Weaver, Commissioner, Precinct Two  
Michael S. Sinegal, Commissioner, Precinct Three  
Everette "Bo" Alfred, Commissioner, Precinct Four



**NOTICE OF MEETING AND AGENDA  
OF COMMISSIONERS' COURT  
OF JEFFERSON COUNTY, TEXAS**  
**October 26, 2015**

Notice is hereby given that the Commissioners' Court of Jefferson County, Texas, will meet at **1:30 PM**, on the **26th** day of **October 2015** at its regular meeting place in the Commissioner's Courtroom, 4th Floor, Jefferson County Courthouse, 1149 Pearl Street, Beaumont, Texas.

Said meeting will be a **Special** for the purpose of transacting the routine business of the County. Persons with disabilities requiring auxiliary aids for services who wish to attend this meeting should contact the County Judge's Office to arrange for assistance.

In addition to the routine business of the County, the subject of said meeting will be the following:

**INVOCATION: Everette "Bo" Alfred, Commissioner, Precinct Four**

**PLEDGE OF ALLEGIANCE: Eddie Arnold, Commissioner, Precinct One**

**Notice of Meeting and Agenda and Minutes**  
**October 26, 2015**

**PURCHASING:**

1. Consider and approve, execute, receive and file InfoPrint Maintenance Renewal 2015-2016 for Jefferson County with Sirius in the amount of \$24,474.42.

**SEE ATTACHMENTS ON PAGES 8 - 11**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Arnold**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

**COUNTY AUDITOR:**

2. Consider and approve FY 2015 budget transfer – Parks - additional cost for payroll accruals

116-0611-452-1005	EXTRA HELP	\$141.00	
116-0611-452-2001	F.I.C.A. EXPENSE	\$11.00	
116-0611-452-2002	EMPLOYEES' RETIREMENT	\$21.00	
116-0611-452-3074	SAND/DIRT		\$173.00

**SEE ATTACHMENTS ON PAGES 12 - 12**

**Motion by: Commissioner Sinegal**

**Second by: Commissioner Alfred**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

3. Consider and approve FY 2015 budget transfer – 60th District Court and Jury - additional cost for payroll accruals

120-2034-412-1001	DEPARTMENT HEAD	\$70.00	
120-2034-412-1002	ASSISTANTS & CLERKS	\$198.00	
120-2034-412-1007	COURT REPORTER	\$299.00	
120-2034-412-1042	BAILIFF	\$156.00	
110-2027-412-1002	ASSISTANTS & CLERKS	\$198.00	
110-2027-412-1007	COURT REPORTER	\$299.00	
120-2034-412-5040	LIABILITY INSURANCE		\$723.00
110-2027-412-3078	OFFICE SUPPLIES		\$497.00

**Notice of Meeting and Agenda and Minutes**  
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**SEE ATTACHMENTS ON PAGES 13 - 13**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Alfred**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**  
**Action: APPROVED**

4. Consider and approve FY 2015 budget transfer – 136th District Court - additional cost for payroll accruals

120-2035-412-1001	DEPARTMENT HEAD	\$70.00	
120-2035-412-1002	ASSISTANTS & CLERKS	\$198.00	
120-2035-412-1007	COURT REPORTER	\$299.00	
120-2035-412-1042	BAILIFF	\$158.00	
120-2035-412-5040	LIABILITY INSURANCE		\$725.00

**SEE ATTACHMENTS ON PAGES 14 - 14**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Alfred**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**  
**Action: APPROVED**

5. Consider and approve FY 2016 budget transfer - Constable Pct. 1 - mounts for 3 in car laptops

120-3065-425-6002	COMPUTER EQUIPMENT	\$2,194.00	
120-3065-425-1098	OVERTIME ALLOWANCE		\$2,194.00

**SEE ATTACHMENTS ON PAGES 15 - 18**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Alfred**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**  
**Action: APPROVED**

6. Regular County Bills check #413408 through check #413707.

**SEE ATTACHMENTS ON PAGES 19 - 30**

**Motion by: Commissioner Sinegal**  
**Second by: Commissioner Alfred**  
**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**  
**Action: APPROVED**

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**COUNTY COMMISSIONERS:**

7. Consider authorizing the County Judge to enter/terminate a Burn Ban Order.

**Action: TABLED**

8. Consider and possibly approve an Amended Order to Prohibit Smoking in County Buildings, Vehicles and Workplaces.

**SEE ATTACHMENTS ON PAGES 31 - 32**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

9. Accept resignation of Joel Levingston from DD3 Board of Directors and consider appointing Jay Levingston as his replacement.

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

10. Consider and possibly approve Jefferson County Tourism Committee formally tabled Fall 2015 Hotel Occupancy Tax allocation recommendations: Requested Recommendation Beaumont CVB – Co-op Billboard \$9,600 \$9,600 Beaumont & Port Arthur CVB's – Specialty Item \$2,185 \$2,185 Beaumont & Port Arthur CVB's – Trade Shows \$9,978 \$9,978 Beaumont & Port Arthur CVB's – Visitors Guide \$66,730 \$66,730 Ford Park – Addition to Concessions \$250,000 \$250,000

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

**Notice of Meeting and Agenda and Minutes**  
**October 26, 2015**

11. Consider, possibly approve and authorize the County Judge to execute a renewal of the Affiliation between Jefferson County, Texas and Lamar Institute of Technology for Education of Pharmacy Technician Students.

**SEE ATTACHMENTS ON PAGES 33 - 39**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

12. Consider and possibly revoke approval given, on September 8, 2015, authorizing the County Judge to execute an Inter-local Agreement between Jefferson County, Texas and the University of Texas Medical Branch at Galveston for the administration associated with primary care services and required hospital services to inmates of Jefferson County. (This Inter-local Agreement was never fully executed or received and filed.)

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

13. Consider and approve the Certified Roll Jurisdiction Summary Resolution for the tax roll for the tax year 2015 for Jefferson County

**SEE ATTACHMENTS ON PAGES 40 - 42**

**Motion by: Commissioner Weaver**

**Second by: Commissioner Sinegal**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

**COUNTY TREASURER:**

14. Consider, review and possibly approve, receive and file the 2015-2016 Jefferson County Investment Policy and Procedures. (There are no changes in this policy from last year.)

**SEE ATTACHMENTS ON PAGES 43 - 137**

**Motion by: Commissioner Arnold**

**Second by: Commissioner Alfred**

**In favor: County Judge Branick, Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred**

**Action: APPROVED**

*Notice of Meeting and Agenda and Minutes*  
*October 26, 2015*

**Other Business:**

Receive reports from Elected Officials and staff on matters of community interest without taking action.

**\*\*\*DISCUSSION ON ANY OTHER ITEM NOT ON AGENDA WITHOUT TAKING ACTION.**

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**Jeff R. Branick  
County Judge**



JEFFERSON COUNTY  
1149 PEARL STREET  
BEAUMONT, TX 77701

Quote Date: 10/14/15  
Expires: 11/13/2015  
InfoPrint Maintenance Renewal 2015  
Proposal #: PR100536.1

Sirius Computer Solutions  
10100 Reunion Place, Suite 500  
San Antonio, TX 78216  
www.siriuscom.com

Client Executive:  
Michelle Leben  
Phone: 713-463-1604  
Email:  
Michelle Leben@siriuscom.com

Part #	Description	Qty	Ext. Sale Price
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$577.49
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4247-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$694.18
4234-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$1,347.48
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$500.48
4230-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$500.48
6262-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$4,157.92
6262-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$5,492.57
6400-INFOPRINT HWMA-B	INFOPRINT HW MAINTENANCE 24X7	1	\$2,630.79
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4536-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$221.37
4552-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$186.09
4551-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$178.60
4551-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$178.60
4551-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$178.60
4551-INFOPRINT HWMA-A	INFOPRINT HW MAINTENANCE 8X5	1	\$178.60
	<b>Total</b>		<b>\$24,474.42</b>



Unless otherwise noted, price does not include shipping, handling, or applicable tax which may be added at the time of invoice.

This proposal is valid if ordered on or before 11/13/2015.

Until Sirius receives and accepts a Purchase Order or this Purchase Authorization for the solution proposed, pricing provided in this Proposal is subject to change based on manufacturer's pricing schedule. The Products contained on this Order may be delivered to the Customer through multiple shipments based upon supplier availability, and Customer agrees to pay a partial payment of the total purchase price stated above for any such partial shipment of Products.

All of the information provided in this Proposal is considered confidential and proprietary between Sirius and JEFFERSON COUNTY. Information enclosed in this Proposal may not be disclosed, disseminated, or otherwise revealed to any party outside of JEFFERSON COUNTY or any party within JEFFERSON COUNTY who is not privileged to receive such information.

#### PURCHASE TERMS AND CONDITIONS

**1. Purchase Price; Payment; Taxes.** Customer agrees to pay the total purchase price as shown on the attached Sirius proposal (the 'Order'), plus any applicable sales/use tax. These Purchase Terms and Conditions (the 'Terms') are explicitly made a part of the Order and are hereby incorporated herein by reference. Payment is due within thirty (30) days from the date of the invoice, unless alternative terms have been agreed upon between Sirius and the client prior to the date of this proposal. Customer agrees that any payment not received by Sirius within thirty (30) days of the invoice date shall be subject to an annual interest charge of 12%, or the maximum allowed by law, whichever is less.

**2. Payment by Third Party Leasing Company.** If Customer enters into a lease agreement with a third party leasing company to finance the Order, Customer shall remain bound by these terms and conditions, except to the extent that the third party leasing company shall be obligated to pay the total purchase price of the Order. In the event the third party leasing company fails to make such payment, Customer shall make such payment, and Sirius shall convey title (where applicable) to Customer upon payment of the total purchase price of the Order.

**3. Freight Costs; Delivery.** Sirius will arrange for shipment and delivery of the Products listed in the applicable Order to the installation site. Unless specifically stated otherwise, Customer will be responsible for shipping and delivery charges. Risk of loss to the Products shall pass to Customer upon delivery at Customer's site.

**4. Title; Security Interest.** Title to each product (other than software) to be sold by Sirius hereunder shall pass to Customer upon delivery. Title to software is not being transferred and the right to use software included in the Order shall be governed by a separate license agreement between Customer and the software vendor.

**5. Returns.** No products (including Software) shall be returned to Sirius or software subscriptions cancelled by Customer without prior written approval from Sirius.

**6. Limited Warranties.** Sirius represents and warrants that, at the time each product is delivered, Sirius will be the lawful owner of such product (other than software products), free and clear from any liens and encumbrances, and will have full right, power and authority to transfer good and valid title to the same to Customer. Sirius, as the lawful/authorized reseller of the products being delivered to Customer, represents and warrants that such products will be accompanied by the applicable manufacturer's or software licensor's representations and warranties (either directly through the manufacturer/software licensor or as transferred by Sirius) in accordance with the manufacturer's/software licensor's policies. Customer agrees it is relying solely on the manufacturer's representations and warranties (except as expressly set forth above) and Sirius shall have no liability or obligations with respect to any manufacturers' representations and warranties, and any claims by Customer shall be made solely against the manufacturer.

Notwithstanding the foregoing, with respect to products that have been used and/or refurbished and therefore do not have any manufacturer's warranty, Sirius warrants that for a period of thirty (30) days immediately following the delivery of the products, such products will qualify for the manufacturer's maintenance agreement, if the products are both installed by the manufacturer and placed under the manufacturer's maintenance agreement prior to such installation within such thirty (30) day period; provided, that Customer's exclusive recourse for a breach of this warranty shall be either the repair or replacement of such refurbished equipment or a refund of the purchase price. After such thirty (30) day period, Customer assumes all liability for such products which are either defective or may be incomplete and Sirius will have no further liability or obligation with respect thereto.

As Sirius is not the manufacturer of the products listed on the Order, Customer waives any claim against Sirius based upon (i) any infringement or alleged infringement of any patent or other intellectual property rights with respect to any products sold hereunder or any software licensed by any third party or (ii) any indemnity claim or obligation made by another against Customer arising out of any such infringement or alleged infringement.

**EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, SIRIUS MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, TO CUSTOMER OR TO ANY OTHER PERSON OR ENTITY REGARDING PRODUCTS, SOFTWARE AND/OR SERVICES OR OTHER ITEMS PROVIDED BY SIRIUS UNDER THE ORDER OR THE RESULTS TO BE DERIVED FROM THE USE THEREOF, AND SIRIUS EXPRESSLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OF TRADE OR COURSE OF PERFORMANCE, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**



7. Limitation of Liability. IN NO EVENT WILL SIRIUS BE LIABLE TO CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR ANY OTHER NON-DIRECT DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF OR DAMAGE TO DATA, LOST PROFITS OR FUTURE REVENUES, COST OF CAPITAL, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY OR ANY CLAIM OR DEMAND AGAINST CUSTOMER BY ANY THIRD PARTY, HOWEVER CAUSED, WHETHER UNDER THEORY OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SIRIUS' LIABILITY ARISING FROM OR RELATED TO THE ORDER SHALL NOT EXCEED AN AMOUNT EQUAL TO THE TOTAL AMOUNT PAID OR PAYABLE TO SIRIUS HEREUNDER. THIS LIMITATION SHALL APPLY TO THE FULLEST EXTENT PROVIDED BY LAW, AND CUSTOMER AGREES TO RELEASE SIRIUS, ITS EMPLOYEES, AFFILIATES, AND AGENTS FROM AND AGAINST ANY AND ALL LIABILITY EXCEEDING THE LIMITS STATED IN THIS PROVISION, REGARDLESS OF THE REMEDY UNDER WHICH DAMAGES ARE SOUGHT AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN.

8. Applicable Law. The Order (including these Terms) and the rights and obligations of the parties hereto shall be construed under and governed by the laws of the State of Texas, without giving effect to principles of conflict of laws.

9. Arbitration. EACH OF THE PARTIES TO THIS AGREEMENT WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY DISPUTE OF ANY NATURE WHATSOEVER THAT MAY ARISE BETWEEN THEM, INCLUDING, BUT NOT LIMITED TO, THOSE DISPUTES RELATING TO, OR INVOLVING IN ANY WAY, THE TRANSACTIONS BETWEEN THE PARTIES, THE CONSTRUCTION, PERFORMANCE OR BREACH OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN THE PARTIES, THE PROVISIONS OF ANY FEDERAL, STATE OR LOCAL LAW, REGULATION OR ORDINANCE NOTWITHSTANDING. By execution of this Agreement, each of the parties hereto acknowledges and agrees that it has had an opportunity to consult with legal counsel and that he/she/it knowingly and voluntarily waives any right to a trial by jury of any dispute pertaining to or relating in any way to the transactions contemplated by this Agreement, the provisions of any federal, state or local law, regulation or ordinance notwithstanding.

10. General. The Order (including these Terms) represents the entire and integrated agreement and understanding between the parties with respect to the attached Sirius proposal and supersedes all prior or contemporaneous understandings and agreements, whether written or oral. Neither party will be liable or deemed to be in default for any delay or failure to perform its obligations hereunder if such failure results directly or indirectly from any cause beyond its reasonable control. The Order may be executed in any number of counterparts, each of which when executed and delivered (which deliveries may be made by email or facsimile) shall be deemed to be an original, and all of which counterparts taken together shall constitute but one and the same instrument. No modification of these Terms, nor waiver of any rights hereunder, shall be valid unless in writing and signed by the party against whom the modification or waiver is sought to be enforced. The waiver of any term hereof shall in no way be construed as a waiver of any other term or breach hereof. Neither the Order nor any of its rights or duties hereunder may be assigned or transferred by Customer, unless Sirius has consented to such assignment or transfer in writing. The Order does not and is not intended to confer any rights or remedies upon any person or entity other than the parties hereto. If any provision of these Terms are held by a court of competent jurisdiction to be contrary to law or otherwise invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect.

The provision of the maintenance services contained on this proposal will be controlled by the terms and conditions of the applicable manufacturer and/or maintenance provider (hereinafter the "Provider"), and may be subject to auto-renewal if so provided in the applicable terms and conditions.

Sirius does not guarantee any rights of termination during the term of the maintenance services contained on this proposal or any renewal term, and all refund calculations are determined solely by the applicable Provider. In the event any or all of these maintenance services are terminated in accordance with the terms and conditions of the applicable Provider, Sirius will, at Customer's option, (1) pass through to Customer all applicable credits paid to Sirius by the applicable Provider, net any related costs, or (2) hold such applicable credits on account for future purchases by Customer. If the maintenance services contained on this proposal cover multiple hardware or software components, any discounts provided in this proposal may vary between such components, and all pricing information is confidential and proprietary information of the applicable Provider.

This Proposal is subject to the terms and conditions of the above referenced Agreement(s). Acceptance of this Proposal by an authorized representative of JEFFERSON COUNTY will be deemed the equivalent of a Client Purchase Order, which will authorize Sirius to order the Products and Services listed in this Proposal.



Accepted by:  
JEFFERSON COUNTY

Signature of Authorized Representative

A blue ink signature of the name Jeff Branick.

Printed Name

Jeff Branick  
County Judge

Title of Authorized Representative

10/26/2015

Date Signed

Ship to Address:

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Approved by:  
Sirius Computer Solutions, Inc

A blue ink signature of the name Bonnie M. Cerrito.

Signature of Authorized Representative

Bonnie M. Cerrito

Printed Name

SVP - Contracts

Title of Authorized Representative

10.14.15

Date Signed

Bill to Address:

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**MEMORANDUM**

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**TO:** COMMISSIONERS COURT  
**FROM:** FRAN LEE  
**SUBJECT:** BUDGET TRANSFER  
**DATE:** OCTOBER 20, 2015

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The following budget transfer is necessary for Parks additional cost for payroll accruals. Please call if you have any questions.

116-0611-452-1005	Extra Help	\$141
116-0611-452-2001	FICA	\$ 11
116-0611-452-2002	Employees Retirement	\$ 21
116-0611-452-3074	Sand/Dirt	\$173

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**MEMORANDUM**

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**TO:** COMMISSIONERS COURT  
**FROM:** FRAN LEE  
**SUBJECT:** BUDGET TRANSFER  
**DATE:** OCTOBER 20, 2015

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The following budget transfer is necessary for 60<sup>th</sup> District Court and Jury Fund for additional cost for payroll accruals. Please call if you have any questions.

120-2034-412-1001	Department Head	\$ 70
120-2034-412-1002	Assistants & Clerks	\$198
120-2034-412-1007	Court Reporter	\$299
120-2034-412-1042	Bailiff	\$156
120-2034-412-5040	Liability Insurance	\$723
110-2027-412-1002	Assistants & Clerks	\$198
110-2027-412-1007	Court Reporter	\$299
110-2024-412-3078	Office Supplies	\$497

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**MEMORANDUM**

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**TO:** COMMISSIONERS COURT  
**FROM:** FRAN LEE  
**SUBJECT:** BUDGET TRANSFER  
**DATE:** OCTOBER 20, 2015

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The following budget transfer is necessary for 136<sup>th</sup> District Court for additional cost for payroll accruals. Please call if you have any questions.

120-2035-412-1001	Department Head	\$ 70
120-2035-412-1002	Assistants & Clerks	\$198
120-2035-412-1007	Court Reporter	\$299
120-2035-412-1042	Bailiff	\$158
120-2035-412-5040	Liability Insurance	\$725



**COLEY "NICK" SALEME**  
**JEFFERSON COUNTY CONSTABLE**  
**PRECINCT 1**  
**1085 PEARL STREET**  
**BEAUMONT, TX 77701**



# Memo

Date: **October 20, 2015**

**To:** Fran Lee, Financial Manager **Fax #:** (409) 839-2369  
**From:** Constable's Office Precinct 1 **Fax #:** (409) 839-2350  
**RE:** Transfer Line Item  
**Priority:** [Urgent]

## Line-item Transfer Amendment

DATE: October 19, 2015

Honorable Commissioners Court of Jefferson County:

I submit to you for your consideration the following line-item transfers:

	<b>FUND</b>	<b>DEPT.</b>	<b>FROM</b>	<b>TO</b>
From:	Overtime	120-3065-425-10-98	\$2,193.37	
To:	Computer-Equipment	120-3065-425-60-02		\$2,193.37
Reason:	To cover costs of COMPUTER MOUNTS FOR 3-VEHICLES AND INSTALLATION			

Valena O'latum

Department Head /Chief Clerk-Administrative Assistant

Approved: County Judge for Commissioners Court

Attest: County Clerk

Hi,

Below is the quote for the products you have requested. Please send all new requests to [texas@shi.com](mailto:texas@shi.com).

If you have any questions regarding this quote, feel free to contact me at [Jeff\\_Rosen@SHI.com](mailto:Jeff_Rosen@SHI.com).

Regards,  
Jeff



**Pricing Proposal**

Quotation #:	10458442
Description:	Microsoft Select Plus - Office Std
Created On:	Oct-16-2015
Valid Until:	Oct-30-2015

**County of JEFFERSON TX**

**Vanessa Lachney**  
1149 Pearl Street 6th Floor  
Beaumont, TX 77701  
United States  
Phone: (409) 835-8447  
Fax: (409) 839-2388  
Email: [vlachney@co.jefferson.tx.us](mailto:vlachney@co.jefferson.tx.us)

**Inside Account Manager**

**Jeff Rosen**  
1301 South Mo-Pac Expressway  
Suite 375  
Austin, TX 78746  
Phone: 800-870-6079 ext 8688878  
Fax: (512)732-0232  
Email: [Jeff\\_Rosen@shi.com](mailto:Jeff_Rosen@shi.com)

All Prices are in US Dollar(USD)

Product	Qty	Your Price	Total
1 Microsoft Office Standard 2016 - License - 1 PC - Select Plus - Win - Single Language Microsoft - Part#: 021-10559	3	\$241.00	\$723.00
		Subtotal	\$723.00
		Shipping	\$0.00
		Total	\$723.00

**Additional Comments**

DIR SDD 2503

Please provide end-user contact information (first name, last name, and email address) for all orders. Not including this information may result in a delay in order processing.

Also, please include SHI quote number on your PO. Please contact me if you have any questions.

Thanks!

**Retrieve your quote:**

<https://www.shi.com/Quotes/Quoteinfo.aspx>

*The Products offered under this proposal are subject to the [SHI Return Policy](#), unless there is an existing agreement between SHI and the Customer.*



## SALES QUOTATION

Customer No.	Account No.	Date
GNPJ196	2735480	10/19/2015

**BILL TO:**  
 JEFFERSON COUNTY  
 1149 PEARL ST FL 6  
 MIS DEPT

Accounts Payable  
 BEAUMONT , TX 77701-3638

Customer Phone #409.835.8447  
 Customer P.O. # UPDATED TOUGHBOOK  
 W/ MOUNTS

**SHIP TO:**  
 JEFFERSON COUNTY  
 1149 PEARL STREET  
 FLOOR 6TH

BEAUMONT , TX 77701  
 Contact: VANESSA  
 LACHNEY 409.835.8447

ACCOUNT MANAGER		TERMS		EXEMPTION CERTIFICATE
CHRIS FUCHS 866.339.4117		FEDEX Ground	Net 30 Days-Govt State/Local	GOVT-EXEMPT
QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	3439511	PAN TB I5-4310U 320GB 4GB W7 Mfg#: CF-532JCZYCM Contract: TCPN - Technology Solutions R5106 R5106	1,172.72	1,172.72
1	2630666	GAMBER DOCK STATION INT POW NO-RF Mfg#: 7160-0393-04 Contract: TCPN - Technology Solutions R5106 R5106	771.96	771.96
1	3017137	GAMBER KIT F/FORD F150 2004-2013 Mfg#: 7170-0135 Contract: TCPN - Technology Solutions R5106 R5106	343.63	343.63
1	3439511	PAN TB I5-4310U 320GB 4GB W7 Mfg#: CF-532JCZYCM Contract: TCPN - Technology Solutions R5106 R5106	1,172.72	1,172.72
1	2630666	GAMBER DOCK STATION INT POW NO-RF Mfg#: 7160-0393-04 Contract: TCPN - Technology Solutions R5106 R5106	771.96	771.96
1	1937936	GAMBER JOHNSON BASE F/FORD CVPI 91 Mfg#: 7160-0234 Contract: TCPN - Technology Solutions R5106 R5106	58.64	58.64
1	697606	GAMBER 7" LOWER TUBE Mfg#: DS-LOWER-7 Contract: TCPN - Technology Solutions R5106 R5106	29.31	29.31
1	1865100	GAMBER JOHNSON CRT UPPER POLE ASSEMB Mfg#: 7160-0177 Contract: TCPN - Technology Solutions R5106 R5106	42.89	42.89
1	1847044	GAMBER JOHNSON LOCKING SLIDE ARM Mfg#: 7160-0220 Contract: TCPN - Technology Solutions R5106 R5106	168.29	168.29
1	1948673	GAMBER JOHNSON POLE BRACE ADJ. SHORT Mfg#: 7160-0230 Contract: TCPN - Technology Solutions R5106 R5106	38.00	38.00
1	3439511	PAN TB I5-4310U 320GB 4GB W7 Mfg#: CF-532JCZYCM Contract: TCPN - Technology Solutions R5106 R5106	1,172.72	1,172.72
1	2630666	GAMBER DOCK STATION INT POW NO-RF Mfg#: 7160-0393-04 Contract: TCPN - Technology Solutions R5106 R5106	771.96	771.96
1	2778960	GAMBER PEDESTAL PKG F/FORD UTILITY	355.57	355.57

Mfg#: 7170-0148  
Contract: TCPN - Technology Solutions R5106  
R5106

18

**SPECIAL INSTRUCTIONS**

2006 Ford F150  
7160-0393-04  
7170-0135

2007 Crown Victoria  
7160-0393-04  
7160-0234  
DS-LOWER-7  
7160-0177  
7160-0220  
7160-0230

2015 Ford Explorer  
7160-0393-04  
7170-0148

SUBTOTAL  
FREIGHT  
TAX

6,870.37  
0.00  
0.00

US Currency

**TOTAL \*** 6,870.37

CDW Government  
230 North Milwaukee Ave.  
Vernon Hills, IL 60061

Fax: 312.705.8262

**Please remit payment to:**  
CDW Government  
75 Remittance Drive  
Suite 1515  
Chicago, IL 60675-1515

NAME

AMOUNT

CHECK NO.

TOTAL

## JURY FUND

TRI-CITY COFFEE SERVICE  
DAWN DONUTS110.75  
33.75413528  
413704

144.50\*\*

## ROAD &amp; BRIDGE PCT.#1

ENTERGY  
TEXAS WORKFORCE COMMISSION  
DE LAGE LANDEN PUBLIC FINANCE  
DE LAGE LANDEN PUBLIC FINANCE92.23  
773.76  
73.36  
73.36413472  
413525  
413654  
413658

1,012.71\*\*

## ROAD &amp; BRIDGE PCT.#2

APAC, INC. - TROTTI & THOMSON  
CASH ADVANCE ACCOUNT  
MUNRO'S  
RITTER @ HOME  
BUMPER TO BUMPER  
CENTERPOINT ENERGY RESOURCES CORP  
NEW WAVE WELDING TECHNOLOGY  
FIRETROL PROTECTION SYSTEMS, INC.  
ATTABOY TERMITES & PEST CONTROL  
DE LAGE LANDEN PUBLIC FINANCE  
DE LAGE LANDEN PUBLIC FINANCE  
MEMBER'S BUILDING MAINTENANCE LLC543.97  
1,040.45  
18.45  
50.26  
213.75  
37.17  
6.60  
216.00  
54.00  
104.00  
104.00  
149.50413450  
413481  
413494  
413505  
413591  
413594  
413626  
413629  
413636  
413654  
413658  
413684

2,538.15\*\*

## ROAD &amp; BRIDGE PCT. # 3

A&A EQUIPMENT  
A&B OUTDOOR EQUIPMENT  
ABLE FASTENER, INC.  
BEAUMONT TRACTOR COMPANY  
CITY OF PORT ARTHUR - WATER DEPT.  
DYNAMIC POWER SYSTEM, INC.  
GULF COAST AUTOMOTIVE, INC.  
ENTERGY  
LOUIS' YAZOO SALES & SERVICE, LLC  
MUNRO'S  
OFFICE DEPOT  
OIL CITY TRACTORS, INC.  
TEXAS WORKFORCE COMMISSION  
AUTO ZONE  
SOUTHERN TIRE MART, LLC  
DEPARTMENT OF INFORMATION RESOURCES  
VULCAN INC  
CENTERPOINT ENERGY RESOURCES CORP  
DE LAGE LANDEN PUBLIC FINANCE  
DE LAGE LANDEN PUBLIC FINANCE  
FELIX AAA AUTO & TRUCK PARTS LLC315.54  
167.94  
72.63  
104.07  
29.76  
264.43  
5.39  
202.39  
227.00  
34.13  
565.54  
183.08  
1,104.00  
400.84  
1,921.00  
.22  
2,039.58  
32.30  
154.80  
154.80  
132.92413435  
413436  
413437  
413454  
413459  
413463  
413471  
413472  
413486  
413494  
413498  
413499  
413525  
413538  
413539  
413546  
413575  
413594  
413654  
413658  
413700

8,112.36\*\*

## ROAD &amp; BRIDGE PCT.#4

COASTAL WELDING SUPPLY  
BEAUMONT ENTERPRISE  
M&D SUPPLY  
MUNRO'S  
OIL CITY TRACTORS, INC.  
SMART'S TRUCK & TRAILER, INC.  
AT&T  
TEXAS WORKFORCE COMMISSION  
TRIANGLE AIR CARE, INC.  
DEPARTMENT OF INFORMATION RESOURCES  
UNITED STATES POSTAL SERVICE  
MARTIN PRODUCT SALES LLC  
DE LAGE LANDEN PUBLIC FINANCE  
DE LAGE LANDEN PUBLIC FINANCE  
ASCO171.80  
138.32  
78.81  
128.04  
1,155.35  
62.50  
75.12  
2,696.00  
197.00  
.27  
30.55  
2,655.29  
373.37  
373.37  
285.31413461  
413465  
413487  
413494  
413499  
413513  
413518  
413525  
413526  
413546  
413566  
413603  
413654  
413658  
413678

8,421.10\*\*

## ENGINEERING FUND

DE LAGE LANDEN PUBLIC FINANCE  
DE LAGE LANDEN PUBLIC FINANCE662.83  
662.83413654  
413658

1,325.66\*\*

## PARKS &amp; RECREATION

NAME	AMOUNT	CHECK NO.	TOTAL
ALLIED ELECTRIC, INC.	850.00	413442	
ALL-PHASE ELECTRIC SUPPLY	152.03	413462	
NOACK LOCKSMITH	13.50	413496	
SPRINT WASTE SERVICES LP	310.80	413687	
SUPPLYWORKS	2,499.00	413694	
GENERAL FUND			3,825.33**
TAX OFFICE			
LYNDON B. JOHNSON SCHOOL OF PUBLIC DEPARTMENT OF INFORMATION RESOURCES	410.00	413447	
UNITED STATES POSTAL SERVICE	.19	413546	
SHI GOVERNMENT SOLUTIONS, INC.	602.76	413566	
DE LAGE LANDEN PUBLIC FINANCE	328.20	413569	
DE LAGE LANDEN PUBLIC FINANCE	506.82	413654	
CUMMINS-ALLISON CORP	506.82	413658	
1,648.00	413675		
COUNTY HUMAN RESOURCES			4,002.79*
BEAUMONT FAMILY PRACTICE ASSOC.	100.00	413453	
UNITED STATES POSTAL SERVICE	2.50	413566	
DE LAGE LANDEN PUBLIC FINANCE	105.34	413654	
DE LAGE LANDEN PUBLIC FINANCE	105.34	413658	
AUDITOR'S OFFICE			313.18*
UNITED STATES POSTAL SERVICE	10.52	413566	
DE LAGE LANDEN PUBLIC FINANCE	148.43	413654	
DE LAGE LANDEN PUBLIC FINANCE	148.43	413658	
COUNTY CLERK			307.38*
CASH ADVANCE ACCOUNT	1,929.52	413481	
UNITED STATES POSTAL SERVICE	306.01	413566	
DE LAGE LANDEN PUBLIC FINANCE	1,501.35	413654	
DE LAGE LANDEN PUBLIC FINANCE	1,501.35	413658	
COUNTY JUDGE			5,238.23*
JAN GIROUARD & ASSOCIATES	200.00	413469	
CATHERINE BRUNNEY	500.00	413477	
UNITED STATES POSTAL SERVICE	3.06	413566	
GRACE NICHOLS	2,000.00	413633	
HARVEY L WARREN III	1,600.00	413644	
COUNTY JUDGES EDUCATION FUND	125.00	413648	
DE LAGE LANDEN PUBLIC FINANCE	105.34	413654	
DE LAGE LANDEN PUBLIC FINANCE	105.34	413658	
THOMSON REUTERS-WEST	116.58	413680	
RISK MANAGEMENT			4,755.32*
UNITED STATES POSTAL SERVICE	657.21	413566	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413658	
COUNTY TREASURER			812.01*
UNITED STATES POSTAL SERVICE	490.46	413566	
DE LAGE LANDEN PUBLIC FINANCE	478.80	413654	
DE LAGE LANDEN PUBLIC FINANCE	478.80	413658	
PRINTING DEPARTMENT			1,448.06*
OLMSTED-KIRK PAPER	1,270.62	413500	
SHI GOVERNMENT SOLUTIONS, INC.	328.20	413569	
PCM-G	1,120.00	413635	
DE LAGE LANDEN PUBLIC FINANCE	1,198.98	413654	
DE LAGE LANDEN PUBLIC FINANCE	1,198.98	413658	
PURCHASING DEPARTMENT			5,116.78*
UNITED PARCEL SERVICE	38.22	413529	

NAME	AMOUNT	CHECK NO.	TOTAL
UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	13.66 105.34 105.34	413566 413654 413658	262.56*
GENERAL SERVICES			
CASH ADVANCE ACCOUNT SPINDLETOP MHMR OLMSTED-KIRK PAPER TIME WARNER COMMUNICATIONS TEXAS WORKFORCE COMMISSION CROWN CASTLE INTERNATIONAL PATTILLO BROWN & HILL LLP DYNAMEX INC COLIN'S KITCHEN LLC	25.00 32,990.75 303.50 191.75 18,268.94 1,413.81 14,000.00 398.47 105.95	413481 413485 413500 413522 413525 413585 413662 413685 413701	67,698.17*
DATA PROCESSING			
CDW COMPUTER CENTERS, INC. BARNES & NOBLE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	1,732.77 31.99 148.43 148.43	413542 413579 413654 413658	2,061.62*
VOTERS REGISTRATION DEPT			
UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	147.02 73.36 73.36	413566 413654 413658	293.74*
ELECTIONS DEPARTMENT			
UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	5.95 387.38 387.38	413566 413654 413658	780.71*
DISTRICT ATTORNEY			
ALISA RAUMAKER, CSR FED EX MANNINGS SCHOOL SUPPLY TEXAS DISTRICT & COUNTY ATTY ASSN. UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE THOMSON REUTERS-WEST	85.00 6.17 27.00 1,225.00 344.87 636.38 636.38 2,586.68	413446 413468 413489 413524 413566 413654 413658 413681	5,547.48*
DISTRICT CLERK			
TRI-CITY COFFEE SERVICE UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	31.90 150.78 125.46 125.46	413528 413566 413654 413658	433.60*
CRIMINAL DISTRICT COURT			
BRUCE N. SMITH UNITED STATES POSTAL SERVICE SHI GOVERNMENT SOLUTIONS, INC. DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE JAMES R. MAKIN, P.C. REGIONAL PUBLIC DEFENDER FOR	800.00 43.28 2,297.40 77.40 77.40 4,350.00 46,221.47	413514 413566 413569 413654 413658 413659 413706	53,866.95*
58TH DISTRICT COURT			
DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	77.40 77.40	413654 413658	154.80*
60TH DISTRICT COURT			
UNITED STATES POSTAL SERVICE DE LAGE LANDEN PUBLIC FINANCE DE LAGE LANDEN PUBLIC FINANCE	.42 73.36 73.36	413566 413654 413658	147.14*
136TH DISTRICT COURT			

NAME

AMOUNT

CHECK NO.

TOTAL

UNITED STATES POSTAL SERVICE	2.50	413566	
LEXIS-NEXIS	57.00	413567	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
			206.22*
172ND DISTRICT COURT			
NATIONAL BAR ASSOCIATION	350.00	413495	
UNITED STATES POSTAL SERVICE	40.83	413566	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413658	
			545.63*
252ND DISTRICT COURT			
GAYLYN COOPER	600.00	413441	
JIMMY D. HAMM	900.00	413474	
KEVIN S. LAINE	4,440.00	413541	
JOHN D WEST	1,600.00	413550	
UNITED STATES POSTAL SERVICE	303.42	413566	
LEXIS-NEXIS	56.00	413567	
SUMMER TANNER	2,594.75	413605	
RYAN GERTZ	800.00	413641	
DE LAGE LANDEN PUBLIC FINANCE	529.96	413654	
DE LAGE LANDEN PUBLIC FINANCE	529.96	413658	
JAMES R. MAKIN, P.C.	800.00	413659	
ALEX BILL III	900.00	413660	
SOUTHEAST TEXAS PSYCHIATRY PA	595.00	413663	
REGIONAL PUBLIC DEFENDER FOR	46,221.48	413706	
			60,870.57*
279TH DISTRICT COURT			
PHILLIP DOWDEN	500.00	413449	
OFFICE DEPOT	46.89	413498	
MARVA PROVO	500.00	413503	
UNITED STATES POSTAL SERVICE	5.06	413566	
JONATHAN L. STOVALL	262.50	413650	
DE LAGE LANDEN PUBLIC FINANCE	285.95	413654	
DE LAGE LANDEN PUBLIC FINANCE	285.95	413658	
GORDON D FRIESZ	500.00	413699	
			2,292.57*
317TH DISTRICT COURT			
DE LAGE LANDEN PUBLIC FINANCE	77.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413658	
			154.80*
JUSTICE COURT-PCT 1 PL 1			
TEXAS STATE UNIVERSITY SAN MARS	150.00	413516	
UNITED STATES POSTAL SERVICE	99.53	413566	
DE LAGE LANDEN PUBLIC FINANCE	125.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	125.00	413658	
			499.53*
JUSTICE COURT-PCT 1 PL 2			
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
			146.72*
JUSTICE COURT-PCT 4			
AT&T	75.12	413518	
DEPARTMENT OF INFORMATION RESOURCES	.19	413546	
TEXAS JUSTICE CT.JUDGES ASSOC., INC.	75.00	413600	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413658	
			358.31*
JUSTICE COURT-PCT 6			
UNITED STATES POSTAL SERVICE	34.96	413566	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
			181.68*
JUSTICE COURT-PCT 7			

NAME

AMOUNT

CHECK NO.

TOTAL

DEPARTMENT OF INFORMATION RESOURCES	.31	413546	.31*
JUSTICE OF PEACE PCT. 8			
OFFICE DEPOT	251.12	413498	
DE LAGE LANDEN PUBLIC FINANCE	265.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	265.00	413658	781.12*
COUNTY COURT AT LAW NO.1			
TEXAS ASSOC. OF COUNTY COURT A LAW	35.00	413440	
UNITED STATES POSTAL SERVICE	1.25	413566	
DE LAGE LANDEN PUBLIC FINANCE	350.69	413654	
DE LAGE LANDEN PUBLIC FINANCE	350.69	413658	737.63*
COUNTY COURT AT LAW NO. 2			
JOHN E MACEY	250.00	413488	
OFFICE DEPOT	20.57	413498	
NATHAN REYNOLDS, JR.	250.00	413504	
UNITED STATES POSTAL SERVICE	26.62	413566	
LAURIE PEROZZO	250.00	413638	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
DANE DENNISON	250.00	413690	1,193.91*
COUNTY COURT AT LAW NO. 3			
DONALD BOUDREAUX	250.00	413456	
TRAVIS EVANS	500.00	413466	
OFFICE DEPOT	135.99	413498	
KEVIN PAULA SEKALY PC	250.00	413510	
RICARDO VEGA	200.00	413530	
UNITED STATES POSTAL SERVICE	23.23	413566	
SHEIGH SUMMERLIN	250.00	413599	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
THE DAWS LAW FIRM PLLC	250.00	413686	2,005.94*
COURT MASTER			
UNITED STATES POSTAL SERVICE	.83	413566	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413658	208.83*
MEDIATION CENTER			
UNITED STATES POSTAL SERVICE	13.55	413566	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	160.27*
COMMUNITY SUPERVISION			
DE LAGE LANDEN PUBLIC FINANCE	332.16	413654	
DE LAGE LANDEN PUBLIC FINANCE	332.16	413658	664.32*
SHERIFF'S DEPARTMENT			
CASH ADVANCE ACCOUNT	300.00	413481	
DEPARTMENT OF INFORMATION RESOURCES	.35	413546	
VERIZON WIRELESS	3,115.18	413561	
UNITED STATES POSTAL SERVICE	1,263.37	413566	
BEAUMONT OCCUPATIONAL SERVICE, INC.	131.80	413571	
FIVE STAR FEED	79.90	413583	
CODE BLUE	98.00	413590	
DE LAGE LANDEN PUBLIC FINANCE	1,073.06	413654	
DE LAGE LANDEN PUBLIC FINANCE	1,073.06	413658	
RITA HURT	825.00	413665	
LONE STAR UNIFORMS	3,674.83	413702	11,634.55*
CRIME LABORATORY			
LARRY'S REFRIGERATION	200.00	413549	

NAME

AMOUNT

CHECK NO.

TOTAL

SAFARILAND	46.18	413640	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	104.00	413658	
JAIL - NO. 2			454.18*
BOB BARKER CO., INC.	326.00	413452	
BEAUMONT TRACTOR COMPANY	499.65	413454	
CITY OF BEAUMONT - WATER DEPT.	14,224.97	413458	
ECOLAB	399.90	413464	
HERNANDEZ OFFICE SUPPLY, INC.	4,152.86	413475	
JACK BROOKS REGIONAL AIRPORT	945.24	413480	
M&D SUPPLY	42.52	413487	
MCNEILL INSURANCE AGENCY	213.00	413492	
OFFICE DEPOT	1,793.70	413498	
RALPH'S INDUSTRIAL ELECTRONICS	376.20	413506	
SANITARY SUPPLY, INC.	1,500.12	413508	
SCOTT EQUIPMENT, INC.	642.07	413509	
SHERWIN-WILLIAMS	76.74	413512	
AT&T	1,347.47	413518	
CDW COMPUTER CENTERS, INC.	229.31	413542	
DEPARTMENT OF INFORMATION RESOURCES	2.50	413546	
UNITED COMMUNICATIONS, INC.	772.50	413548	
BELT SOURCE	36.35	413601	
AIRGAS SOUTHWEST	341.17	413625	
WORLD FUEL SERVICES	2,628.25	413639	
DE LAGE LANDEN PUBLIC FINANCE	1,366.16	413654	
DE LAGE LANDEN PUBLIC FINANCE	1,366.16	413658	
MATERA PAPER COMPANY INC	3,071.57	413679	
KROPP HOLDINGS INC	183.16	413683	
JUVENILE PROBATION DEPT.			36,537.57*
UNITED STATES POSTAL SERVICE	28.77	413566	
DE LAGE LANDEN PUBLIC FINANCE	221.79	413654	
DE LAGE LANDEN PUBLIC FINANCE	221.79	413658	
JUVENILE DETENTION HOME			472.35*
CITY OF BEAUMONT - WATER DEPT.	2,574.18	413458	
OAK FARM DAIRY	484.50	413540	
FLOWERS FOODS	204.93	413587	
BEN E KEITH FOODS	3,016.54	413588	
CENTERPOINT ENERGY RESOURCES CORP	335.49	413594	
ATTABOY TERMITES & PEST CONTROL	80.00	413636	
DE LAGE LANDEN PUBLIC FINANCE	327.69	413654	
DE LAGE LANDEN PUBLIC FINANCE	327.69	413658	
WASTEWATER TRANSPORT SERVICES LLC	918.00	413689	
CONSTABLE PCT 1			8,269.02*
UNITED STATES POSTAL SERVICE	73.16	413566	
DE LAGE LANDEN PUBLIC FINANCE	460.79	413654	
DE LAGE LANDEN PUBLIC FINANCE	460.79	413658	
CONSTABLE-PCT 2			994.74*
TEXAS STATE UNIVERSITY SAN MARS	450.00	413515	
CONSTABLE-PCT 4			450.00*
AT&T	37.56	413518	
DE LAGE LANDEN PUBLIC FINANCE	229.00	413654	
DE LAGE LANDEN PUBLIC FINANCE	229.00	413658	
CONSTABLE-PCT 6			495.56*
UNITED STATES POSTAL SERVICE	18.48	413566	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
CONSTABLE PCT. 7			165.20*

NAME	AMOUNT	CHECK NO.	TOTAL
OFFICE DEPOT	9.99	413498	
TEXAS STATE UNIVERSITY SAN MARS	300.00	413517	
AT&T	30.47	413518	
TASER INTERNATIONAL	231.76	413592	
CONSTABLE PCT. 8			552.24*
CDW COMPUTER CENTERS, INC.	3,606.75	413542	
CODE BLUE	96.00	413590	
DE LAGE LANDEN PUBLIC FINANCE	460.50	413654	
DE LAGE LANDEN PUBLIC FINANCE	460.50	413658	
AGRICULTURE EXTENSION SVC			4,623.75*
FED EX	21.78	413468	
NATIONAL MARINE EDUCATORS ASSOC	60.00	413562	
UNITED STATES POSTAL SERVICE	1.66	413566	
TEXAS 4-H & YOUTH DEVELOPMENT	60.00	413597	
BARBARA EVANS	161.50	413628	
DE LAGE LANDEN PUBLIC FINANCE	148.43	413654	
DE LAGE LANDEN PUBLIC FINANCE	148.43	413658	
HEALTH AND WELFARE NO. 1			601.80*
ENTERGY	70.00	413473	
OFFICE DEPOT	108.29	413498	
PETTY CASH - N C WELFARE	111.74	413501	
AUSTIN CECIL WALKES MD PA	3,245.08	413532	
MCKESSON MEDICAL-SURGICAL INC	1,161.84	413544	
UNITED STATES POSTAL SERVICE	65.75	413566	
DE LAGE LANDEN PUBLIC FINANCE	579.70	413654	
DE LAGE LANDEN PUBLIC FINANCE	579.70	413658	
HEALTH AND WELFARE NO. 2			5,922.10*
CLAYBAR FUNERAL HOME, INC.	999.00	413460	
AUSTIN CECIL WALKES MD PA	3,245.08	413532	
DE LAGE LANDEN PUBLIC FINANCE	178.70	413654	
DE LAGE LANDEN PUBLIC FINANCE	178.70	413658	
NURSE PRACTITIONER			4,601.48*
GEORGE V. ZUZUKIN, M.D.	1,000.00	413443	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
LESLIE LITTLE	30.00	413692	
ENVIRONMENTAL CONTROL			1,176.72*
CASH ADVANCE ACCOUNT	571.35	413481	
AT&T	51.20	413518	
DEPARTMENT OF INFORMATION RESOURCES	.43	413546	
TEXAS ON-SITE WASTEWATER TREATMENT	150.00	413649	
DE LAGE LANDEN PUBLIC FINANCE	460.79	413654	
DE LAGE LANDEN PUBLIC FINANCE	460.79	413658	
INDIGENT MEDICAL SERVICES			1,694.56*
CARDINAL HEALTH 110 INC	34,914.67	413682	
MAINTENANCE-BEAUMONT			34,914.67*
CINTAS, INC.	293.01	413457	
CITY OF BEAUMONT - WATER DEPT.	292.53	413458	
GOLD CREST ELECTRIC CO., INC.	985.50	413470	
M&D SUPPLY	39.98	413487	
AT&T	81.67	413518	
DEPARTMENT OF INFORMATION RESOURCES	6,803.99	413546	
THOMAS A/C SUPPLY, INC.	826.00	413560	
BAKER DISTRIBUTING COMPANY	1,738.88	413584	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
MEMBER'S BUILDING MAINTENANCE LLC	22,687.76	413684	

NAME	AMOUNT	CHECK NO.	TOTAL
INDUSTRY METAL PRODUCTS DIVISION	1,131.00	413698	35,027.04*
MAINTENANCE-PORT ARTHUR			
DEPARTMENT OF INFORMATION RESOURCES	3.57	413546	
DE LAGE LANDEN PUBLIC FINANCE	150.76	413654	
DE LAGE LANDEN PUBLIC FINANCE	150.76	413658	305.09*
MAINTENANCE-MID COUNTY			
RITTER @ HOME	25.23	413505	
ACE IMAGEWEAR	28.51	413511	
CENTERPOINT ENERGY RESOURCES CORP	73.52	413594	
IMPACT PLUMBING COMPANY	865.00	413598	
ATTABOY TERMITE & PEST CONTROL	54.00	413636	
JEFFERSON COUNTY AGRICULTURE COMM	50.00	413646	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413658	
MEMBER'S BUILDING MAINTENANCE LLC	1,925.52	413684	3,176.58*
SERVICE CENTER			
KINSEL FORD, INC.	1,008.43	413484	
MUNRO'S	39.45	413494	
PHILPOTT MOTORS, INC.	49.25	413502	
TRI-CON, INC.	2,747.44	413527	
WASTE MGT. GOLDEN TRIANGLE, INC.	162.36	413533	
ZEE MEDICAL SERVICE	87.53	413535	
DEPARTMENT OF INFORMATION RESOURCES	.02	413546	
JEFFERSON CTY. TAX OFFICE	24.25	413552	
JEFFERSON CTY. TAX OFFICE	16.75	413553	
JEFFERSON CTY. TAX OFFICE	16.75	413554	
JEFFERSON CTY. TAX OFFICE	16.75	413555	
JEFFERSON CTY. TAX OFFICE	16.75	413556	
JEFFERSON CTY. TAX OFFICE	16.75	413557	
JEFFERSON CTY. TAX OFFICE	16.75	413558	
JEFFERSON CTY. TAX OFFICE	16.75	413559	
BUMPER TO BUMPER	932.53	413591	
DAVID FONTENOT	10.00	413645	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	
MIGHTY OF SOUTHEAST TEXAS	25.44	413661	
CHASE ELECTRONICS	339.00	413664	
TEXAS DEPARTMENT OF MOTOR VEHICLES	7.50	413697	5,697.17*
VETERANS SERVICE			
UNITED STATES POSTAL SERVICE	13.82	413566	
HILARY GUEST	120.94	413574	
DE LAGE LANDEN PUBLIC FINANCE	464.62	413654	
DE LAGE LANDEN PUBLIC FINANCE	464.62	413658	1,064.00*
MOSQUITO CONTROL FUND			383,079.25**
HILO / O'REILLY AUTO PARTS	22.00	413438	
JACK BROOKS REGIONAL AIRPORT	1,075.04	413480	
JEPPESEN & SANDERSON	400.00	413482	
GREG MARCINIAK	585.12	413490	
MUNRO'S	60.00	413494	
PHILPOTT MOTORS, INC.	1,078.75	413502	
TEXAS WORKFORCE COMMISSION	1,818.00	413525	
DEPARTMENT OF INFORMATION RESOURCES	.16	413546	
WESTPORT AG	316.96	413547	
CENTERPOINT ENERGY RESOURCES CORP	29.59	413594	
JEFFERSON COUNTY AGRICULTURE COMM	250.00	413647	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	73.36	413658	5,782.34**
FAMILY GROUP CONFERENCING			
DE LAGE LANDEN PUBLIC FINANCE	77.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	77.40	413658	154.80**
J.C. FAMILY TREATMENT CT.			

NAME	AMOUNT	CHECK NO.	TOTAL
BEAUMONT OCCUPATIONAL SERVICE, INC.	420.65	413571	
JUDY PAASCH	181.63	413593	
SALLY BURMAN	280.00	413703	
PATRICIA VELASCO	770.00	413705	1,652.28**
LAW LIBRARY FUND			
JONES MCCLURE PUBLISHING, INC.	214.00	413483	
THOMSON REUTERS-WEST	116.00	413680	330.00**
EMPG GRANT			
LAMAR ADVERTISING	2,000.00	413634	2,000.00**
GRT N MENTAL HEALTH SVCS			
TJJD	2,522.31	413666	2,522.31**
GRANT A STATE AID			
HAYS COUNTY	5,740.00	413537	
BI INCORPORATED	1,480.58	413545	
YOUTH ADVOCATE PROGRAM	8,124.30	413622	
VICTORIA COUNTY JUVENILE SERVICES	7,365.00	413624	
CORNELL CORRECTIONS OF TEXAS	8,277.30	413688	
GRAYSON COUNTY DEPT OF JUVENILE	17,001.00	413693	47,988.18**
COMMUNITY SUPERVISION FND			
CASH ADVANCE ACCOUNT	1,225.95	413481	
OFFICE DEPOT	793.04	413498	
TIME WARNER COMMUNICATIONS	81.10	413520	
TEXAS CORRECTIONS ASSOCIATION	270.00	413523	
DEPARTMENT OF INFORMATION RESOURCES	2.39	413546	
UNITED STATES POSTAL SERVICE	90.54	413566	2,463.02**
JEFF. CO. WOMEN'S CENTER			
SUPERIOR TIRE & SERVICE	234.19	413445	
ALL STAR PLUMBING	135.00	413448	
ECOLAB	82.95	413464	
ENTERGY	1,721.82	413472	
JEFFERSON CTY. WOMEN'S CENTER	23.25	413479	
CASH ADVANCE ACCOUNT	225.57	413481	
M&D SUPPLY	46.94	413487	
KIM MCKINNEY, LPC, LMFT	225.00	413491	
OFFICE DEPOT	127.46	413498	
AT&T	130.90	413518	
SYSCO FOOD SERVICES, INC.	4,427.02	413519	
TEXAS WORKFORCE COMMISSION	2,930.00	413525	
BURT WALKER PARTNERS, LTD	4,500.00	413531	
PETTY CASH - RESTITUTION I	135.24	413536	
DEPARTMENT OF INFORMATION RESOURCES	.23	413546	
VINCENT'S A/C	354.92	413563	
TOWER COMMUNICATIONS, INC.	60.00	413564	
BEN E KEITH FOODS	4,223.97	413588	
REDWOOD TOXICOLOGY LABORATORY	35.00	413606	
DE LAGE LANDEN PUBLIC FINANCE	292.40	413654	
DE LAGE LANDEN PUBLIC FINANCE	292.40	413658	
MATERA PAPER COMPANY INC	677.33	413679	
EXCEL MEDICAL WASTE LLC	39.90	413695	20,921.49**
COMMUNITY CORRECTIONS PRG			
DE LAGE LANDEN PUBLIC FINANCE	115.38	413654	
DE LAGE LANDEN PUBLIC FINANCE	115.38	413658	230.76**
DRUG DIVERSION PROGRAM			
DE LAGE LANDEN PUBLIC FINANCE	115.38	413654	
DE LAGE LANDEN PUBLIC FINANCE	115.38	413658	230.76**
JAG GRANTS			

NAME	AMOUNT	CHECK NO.	TOTAL
SHI GOVERNMENT SOLUTIONS, INC.	328.20	413569	328.20**
LAW OFFICER TRAINING GRT			
BEAUMONT TROPHIES	2.00	413455	2.00**
REGIONAL COMM. SAVNS			
DEPARTMENT OF INFORMATION RESOURCES	533.28	413546	533.28**
COUNTY RECORDS MANAGEMENT			
LINDA MCMAHEN	333.72	413602	
RONALD D ELLINGTON	112.81	413604	
RAMONA HUTCHINSON	172.39	413667	
HOTEL OCCUPANCY TAX FUND			618.92**
THERMACON SERVICE	475.00	413444	
ENTERGY	1,194.35	413472	
HIGHTECH SIGNS	1,375.00	413476	
MUNRO'S	46.46	413494	
TIME WARNER COMMUNICATIONS	110.43	413521	
MUSEUM OF THE GULF COAST	3,800.00	413543	
DEPARTMENT OF INFORMATION RESOURCES	9.84	413546	
ART MUSEUM OF SOUTHEAST TEXAS	3,619.00	413570	
PORT NECHES CHAMBER OF COMMERCE	10,900.00	413576	
SPORTS SOCIETY FOR AMERICAN HEALTH	4,750.00	413577	
SOUTHEAST TEXAS ARTS COUNCIL	4,500.00	413578	
FIRE MUSEUM OF TEXAS	900.00	413580	
JUNIOR LEAGUE OF BEAUMONT	837.00	413581	
FORD PARK	81,150.00	413582	
YOUNG MEN'S BUSINESS LEAGUE	500.00	413586	
SPINDLETOP-GLADYS CITY BOOMTOWN	1,700.00	413589	
SOUTHERN BLACK SOFTBALL ASSOCIATION	3,000.00	413607	
SOUTHERN BLACK SOFTBALL ASSOCIATION	3,000.00	413608	
STARS OVER TEXAS SOFTBALL	500.00	413609	
STARS OVER TEXAS SOFTBALL	3,325.00	413610	
STARS OVER TEXAS SOFTBALL	3,950.00	413611	
STARS OVER TEXAS SOFTBALL	1,450.00	413612	
STARS OVER TEXAS SOFTBALL	500.00	413613	
STARS OVER TEXAS SOFTBALL	500.00	413614	
STARS OVER TEXAS SOFTBALL	500.00	413615	
STARS OVER TEXAS SOFTBALL	500.00	413616	
STARS OVER TEXAS SOFTBALL	500.00	413617	
STARS OVER TEXAS SOFTBALL	500.00	413618	
STARS OVER TEXAS SOFTBALL	500.00	413619	
STARS OVER TEXAS SOFTBALL	500.00	413620	
LA RUE ROUGEAU	34.50	413621	
TOP DOG SOFTBALL CLUB	500.00	413627	
GATOR COUNTRY LLC	3,000.00	413631	
THE STREETZ DANCE CONVENTION&COMPET	1,500.00	413632	
EDISON PLAZA MUSEUM	570.00	413642	
TEXAS STYLE COOL AUTUMN NITES	3,960.00	413643	
DE LAGE LANDEN PUBLIC FINANCE	431.67	413654	
DE LAGE LANDEN PUBLIC FINANCE	431.67	413658	
GT BASEBALL	500.00	413668	
GT BASEBALL	500.00	413669	
GT BASEBALL	500.00	413670	
GT BASEBALL	500.00	413671	
GT BASEBALL	500.00	413672	
GT BASEBALL	500.00	413673	
GT BASEBALL	500.00	413674	
JEFFERSON COUNTY BAR ASSOCIATION	2,000.00	413676	
MATERA PAPER COMPANY INC	385.40	413679	
SOUTHEAST TEXAS TENNIS ASSOCIATION	2,900.00	413696	
BEAUMONT COUNCIL OF GARDEN CLUBS	4,307.60	413707	
DISTRICT CLK RECORDS MGMT			158,612.92**
DE LAGE LANDEN PUBLIC FINANCE	210.68	413654	
DE LAGE LANDEN PUBLIC FINANCE	210.68	413658	
AIRPORT FUND			421.36**

NAME	AMOUNT	CHECK NO.	TOTAL
THE EXAMINER	200.00	413467	
JACKSON-HIRSH, INC.	197.79	413478	
MID-COUNTY ALTERNATOR	165.00	413493	
OFFICE DEPOT	165.66	413498	
RALPH'S INDUSTRIAL ELECTRONICS	55.77	413506	
SABINE NECHES CHIEFS ASSOCIATION	250.00	413507	
SANITARY SUPPLY, INC.	389.25	413508	
WORTH HYDROCHEM	120.00	413534	
DEPARTMENT OF INFORMATION RESOURCES	.03	413546	
E. SULLIVAN ADVERTISING & DESIGN	24,681.69	413551	
UNITED STATES POSTAL SERVICE	.49	413566	
LOWE'S HOME CENTERS, INC.	353.14	413572	
SIMPLEX GRINNELL	334.78	413573	
CENTERPOINT ENERGY RESOURCES CORP	149.69	413594	
PATRIOT SECURITY EOC	80.00	413630	
ATTABOY TERMITES & PEST CONTROL	224.52	413636	
UNIFIRST HOLDINGS INC	111.70	413637	
DE LAGE LANDEN PUBLIC FINANCE	177.36	413654	
DE LAGE LANDEN PUBLIC FINANCE	177.36	413658	
CRAWFORD ELECTRIC SUPPLY COMPANY	749.20	413677	
MEMBER'S BUILDING MAINTENANCE LLC	4,340.22	413684	
EASTERN AVIATION FUELS INC	50,595.39	413691	
SETEC FUND			83,519.04**
PCM-G	2,271.00	413635	
WORKER'S COMPENSATION FD			2,271.00**
TRISTAR RISK MANAGEMENT	176.00	413595	
TRISTAR RISK MANAGEMENT	5,987.95	413596	
BAIL BONDING FUND			6,163.95**
KEITH DAY	10,000.00	413568	
SHERIFF'S FORFEITURE FUND			10,000.00**
CASH ADVANCE ACCOUNT	755.45	413481	
PAYROLL FUND			755.45**
JEFFERSON CTY. - FLEXIBLE SPENDING	11,960.00	413408	
CLEAT	324.00	413409	
JEFFERSON CTY. TREASURER	17,595.69	413410	
RON STADTMUELLER - CHAPTER 13	1,287.50	413411	
INTERNAL REVENUE SERVICE	2,742.46	413412	
JEFFERSON CTY. ASSN. OF D.S. & C.O.	5,140.00	413413	
JEFFERSON CTY. COMMUNITY SUP.	11,135.33	413414	
JEFFERSON CTY. TREASURER - HEALTH	428,780.85	413415	
JEFFERSON CTY. TREASURER - PAYROLL	1,610,226.35	413416	
JEFFERSON CTY. TREASURER - PAYROLL	640,157.19	413417	
MONY/MLOA	198.74	413418	
POLICE & FIRE FIGHTERS' ASSOCIATION	3,021.77	413419	
UNITED WAY OF BEAUMONT & N JEFFERSON	54.77	413420	
JEFFERSON CTY. TREASURER - TCDRS	616,301.77	413421	
OPPENHEIMER FUNDS DISTRIBUTOR, INC	1,906.65	413422	
JEFFERSON COUNTY TREASURER	2,669.54	413423	
JEFFERSON COUNTY - TREASURER -	5,951.78	413424	
NECHES FEDERAL CREDIT UNION	61,702.34	413425	
JEFFERSON COUNTY - NATIONWIDE	63,186.71	413426	
TENNESSEE CHILD SUPPORT	115.38	413427	
SBA - U S DEPARTMENT OF TREASURY	168.49	413428	
CALIFORNIA STATE DISBURSEMENT UNIT	117.23	413429	
ECMC	258.41	413430	
WILLIAM E HEITKAMP	720.72	413431	
JOHN TALTON	2,367.69	413432	
IL DEPT OF HEALTCARD AND FAMILY SER	49.85	413433	
COLLEGE ASIST	117.56	413434	
ORCA - IKE			3,488,258.77**
N&T CONSTRUCTION COMPANY, INC.	97,660.76	413439	
DISTRICT CRT RECORDS TECH			97,660.76**

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DATE  
10-26-2015

PAGE: 12

30

NAME

AMOUNT

CHECK NO.

TOTAL

ATTORNEY GENERAL - CHILD SUPPORT

720.00

413451

720.00\*\*

MARINE DIVISION

JACK BROOKS REGIONAL AIRPORT  
DEPARTMENT OF INFORMATION RESOURCES  
THE DINGO GROUP-PETE JORGENSEN MARI

457.37

413480

145.52

413546

135.96

413623

738.85\*\*

4,343,339.50\*\*\*



## AGENDA

**October 26, 2015**

**Consider and possibly approve an Amended Order to  
Prohibit Smoking in County Buildings, Vehicles and  
Workplaces.**



## AMENDED ORDER BANNING SMOKING IN COUNTY BUILDINGS

**WHEREAS**, the Commissioners Court of Jefferson County, Texas did enter an Order on August 17, 1992, pursuant to authority granted pursuant to Article V, Section 18(b) and Texas Local Government Code, Section 292.001(3), banning smoking within all County office buildings and County vehicles; and

**WHEREAS**, this Order did not specifically ban smoking of electronic cigarettes, "e-cigs"; and

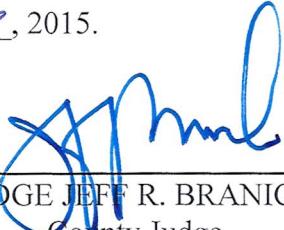
**WHEREAS**, research has revealed that e-cigs may emit toxic chemicals that are harmful to health and cause discomfort to bystanders; and

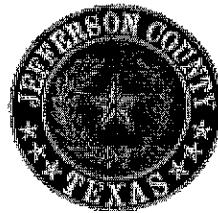
**WHEREAS**, the Commissioners Court desires to protect the health of employees and citizens occupying the County buildings and vehicles and to properly maintain those spaces in a safe and sanitary condition.

**NOW, THEREFORE, BE IT ORDERED** that the term "smoking" shall include use of traditional or conventional smoking products including electronic cigarettes, pipes, cigars and other relating smoking devices; and

1. Smoking is prohibited in any indoor enclosed facility or vehicle owned or leased by Jefferson County; and
2. Smoking is prohibited while operating any County owned or leased equipment at any time (including, for example, a backhoe, tractor or other heavy equipment; and
3. Smoking is prohibited on or at worksites; and
4. For County employees and visitors to County buildings, smoking is prohibited within a distance from any point within 40 feet of any entrance or exit.

SIGNED this 26<sup>th</sup> day of OCTOBER, 2015.

  
\_\_\_\_\_  
JUDGE JEFF R. BRANICK  
County Judge

**AGENDA****October 26, 2015**

**Consider, possibly approve and authorize the County Judge to execute a renewal of the Affiliation Agreement between Jefferson County, Texas and Lamar Institute of Technology for Education of Pharmacy Technician Students.**

AFFILIATION AGREEMENT

AN AGREEMENT FOR THE USE OF CLINICAL FACILITIES  
FOR THE EDUCATION OF PHARMACY TECHNICIAN  
STUDENTS

Between

LAMAR INSTITUTE OF TECHNOLOGY

and

JEFFERSON COUNTY PUBLIC HEALTH DEPARTMENT

## CONTENT

- I. AGREEMENT
- II. LAMAR INSTITUTE of TECHNOLOGY
- III. CLINICAL AFFILIATE RESPONSIBILITY
- IV. TERMS OF AGREEMENT

**AFFILIATION AGREEMENT**  
between  
**LAMAR INSTITUTE OF TECHNOLOGY**  
and  
**JEFFERSON COUNTY PUBLIC HEALTH DEPARTMENT**

This AGREEMENT ("Agreement") is made and entered into by and between Lamar Institute of Technology, Beaumont, Texas by for and on behalf of the Department of Allied Health and Sciences ("College,") and Jefferson County Public Health Department ("Clinical Affiliate"), a healthcare provider, with an office located at 1295 Pearl Street, Beaumont, TX, 77701. It is acknowledged and agreed that this agreement will become effective as of the date of the last signature of a party hereto.

NOW, THEREFORE, in consideration for mutual covenants and conditions contained in this Agreement, to facilitate training of Pharmacy Technician students, the parties agree as follows:

**A. IT IS MUTUALLY AGREED BY THE COLLEGE AND CLINICAL AFFILIATE THAT:**

1. The educational program and curricula of the College is and shall be the responsibility of, and shall be carried out under the direction of personnel of the College.
2. Whereas the Clinical Affiliate recognizes the need for the educational development of students and as matter of courtesy will cooperate with the College and student in such training.
3. It is mutually agreed that the provision and supervision of patient/client care or services is the responsibility of, and shall be carried out under the direction of personnel of the Clinical Affiliate. The Clinical Affiliate agrees to provide students admission to the program and to provide equipment, supplies and other resources which are available.
4. It is mutually agreed that clinical experiences for students enrolled in the pharmacy technician program of the College will be provided at the Clinical Affiliate and the College will designate, in writing, a contact person to regularly communicate with the Clinical Affiliate regarding routine operational matters described herein.
5. It is mutually agreed that College faculty will select and assign students for learning experiences and will further provide for teaching, evaluation, overall supervision, and record keeping of students. The College shall cooperate with the Clinical Affiliate to establish rotations for students. Faculty members, students and the College will adhere to all policies of the Clinical Affiliate and will assume responsibility for student's adherence to those policies.
6. It is mutually agreed that the College does not, and will not, discriminate against any student, employee, or applicant for registration or employment because of disability, race, religion, sex, color, creed, marital status, age, or national origin.
7. It is mutually agreed that the period of assignment, and the number and distribution of students among divisions of the Clinical Affiliate will be determined by representatives of the College and the Clinical Affiliate. The College shall be ultimately responsible for program admissions, administration, matriculation requirements, curriculum planning and accreditation requirements and student assignments. The College will be responsible for all final assessments of each student's clinical and academic performance and the assignment of final grades.
8. The Clinical Affiliate reserves the right to dismiss any student from its premises and otherwise terminate this agreement at any time and for any or not reason without notice and without recourse by the student, Faculty or College.

9. It is mutually agreed that representatives of the College and Clinical Affiliate shall meet as scheduled to discuss issues of mutual concern, and to make such suggestions and changes as are needed. Both parties will share information pertinent to the Affiliation Agreement.

10. It is mutually agreed that the College will comply with all regulatory and accreditation agency standards.

11. In the event a student or College member is exposed to infectious disease, environmental hazard, or sustains any injury or illness in the course of any rotation, the Clinical Affiliate will, with the consent of the student, provide first aid and emergency medical treatment at the site, if such injuries can be appropriately treated on site. If the injury or illness cannot be appropriately treated on site, then the Clinical Affiliate will make arrangements for such individuals to receive appropriate treatment at another facility. The Clinical Affiliate will inform the College of any such injuries and treatment and the student hereby waives all privacy rights as to such circumstances. It is agreed and understood that the student will be solely responsible for paying for any health care and expenses incurred for necessary treatment of the student at another facility during any rotation. The College will provide the Clinical Affiliate evidence of appropriate liability coverage and Personal Health Insurance for each student during each rotation.

12. The parties agree that the sole purpose of this agreement is to facilitate learning for the students and that the Clinical Affiliate is volunteering to participate in this program and that the students will occupy the status of "licensee" as that term is interpreted by Texas law. The students participating in the program shall not be agents, servants or employees of the Clinical Affiliate at any time nor otherwise have any right to or expectation of payment, compensation, remuneration or other material benefit from the Clinical Affiliate.

With regard to any of these general areas of agreement, The College is responsible for, and agrees to:

1. Protect the health and safety of all parties by:

- a. Requiring student liability insurance coverage at no cost to the Clinical Affiliate;
- b. Requiring an annual health and physical examination at no cost to the Clinical Affiliate;
- c. Requiring compliance with the Center for Disease Control, Texas Department of Health, and Clinical Affiliate rules as regarding health, immunizations, safety, dress, and conduct (including for-cause drug screens at no expense to the Clinical Affiliate);
- d. Providing, or otherwise arranging for, faculty and student orientation to the Clinical Affiliate, its major policies, rules and regulations.
- e. Adequately indoctrinate students to inform them that the Clinical Affiliate shall have sole authority and control over and be responsible for its facilities, personnel and patient care and treatment and other clinical activities at the site, including without limitation any all student clinical activities at the site.

2. Make arrangements with the Client Services Administrator, and specified designates, for clinical learning experiences needed for students prior to each semester. The College representative will provide parties with:

- a. Names of students;
- b. Name(s) of faculty;
- c. Dates, days, times of clinical practice periods will be agreed upon.

3. Assist with or contribute to Clinical Affiliate educational activities when requested.
4. Remove students for academic and /or behavioral misconduct according to the College's Student Code of Conduct per the Clinical Affiliation and the College's Policies.
5. Provide for, arrange and/to encourage Clinical Affiliate personnel participation in selected evaluation programs.
6. The individual student is responsible for equipment damaged or broken due to the student's negligence.
7. College shall require all students, faculty, employees, agents, and representatives of College participating in the Program (collectively "Program Participants") to sign and comply with a Statement of Confidentiality for Health Insurance Portability and Accountability Act (HIPAA) purposes and fully comply with all confidentiality and privacy laws, rules and regulations.
8. Notwithstanding any other provision herein, the governmental immunity, qualified immunity, official immunity and all other immunities and defenses of Clinical Affiliate and its employees and officials shall be unimpaired and in full force and effect at all times. Nothing in this agreement shall constitute a waiver of Clinical Affiliate's or Jefferson County's immunities to suit or liability. The Clinical Affiliate, Jefferson County, its employees, agents and officials shall, at all times, have the benefit of all defenses, immunities, rights and limitations of liability and damages recognized in law including, without limitation, the CPRC Chapter 101, Texas Tort Claims Act.
9. It is further understood and agreed that the students, faculty and College shall be solely liable for any and all damages, injuries, claims, suits and grievances of any student, faculty member or the College and anyone claiming on their behalf arising from the performance or implementation of this agreement. In no event shall the Clinical Affiliate or Jefferson County or any of its employees, agents or officials ever have any liability hereunder the fullest extent allow under law for such claims.

The Clinical Affiliate is responsible for, and agrees to:

1. Permit the use of clinical facilities by students enrolled in the Department of Allied Health and Sciences, Pharmacy Technician Program for the purpose of clinical education.
2. Provide, to the extent reasonable, conference rooms for student education, and locker rooms or other secure space for faculty and students to store coats, books, etc., while on duty.
3. Allow students and faculty reasonable and supervised access to, and use of, facilities maintained by the Clinical Affiliate following their specific policies, fees or charges, such as Library and Cafeteria.
4. Charge no fees for clinical laboratory practice.
5. Legal responsibility for the performance of students during the program shall be and remain solely with student, Faculty and College and never with the Clinical Affiliate or Jefferson County. It is understood and agreed that the Clinical Affiliate will be under no obligation to compensate any student for any services rendered by the student during this training.

### **DISPUTE RESOLUTION**

Should any dispute arise between the parties, the parties agree to use all reasonable efforts to resolve same amicably and, if necessary, agree to submit to mediation. All disputes in which litigation is required will be litigated in a court of competent jurisdiction in Jefferson County, Texas according to Texas Law.

### **TERMS OF AGREEMENT:**

Unless terminated earlier, this agreement shall be effective for the period beginning the Effective Date for the term of one (1) year commencing upon the Effective Date of October 26, 2015 through October 25, 2016. This agreement will automatically renew unless terminated as provided hereinabove.

By: **Program Director**

**Pharmacy Technician**

**Date** \_\_\_\_\_

**Lamar Institute of Technology**

**Department Chair, Allied Health and Sciences**

By: **Clinical Affiliate, Chief Administrator**

\_\_\_\_\_  
**Date** \_\_\_\_\_

\_\_\_\_\_  
**Date:** \_\_\_\_\_

**Vice President of Academic Affairs**

\_\_\_\_\_  
**Date** \_\_\_\_\_

**Paul J. Szuch, Ed.D.  
President, Lamar Institute of Technology**

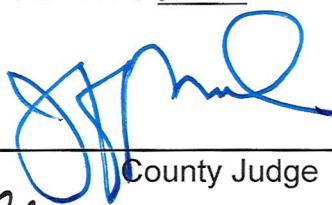
\_\_\_\_\_  
**Date** \_\_\_\_\_

\_\_\_\_\_  
**Judge Jeff R. Branick  
Jefferson County Judge**

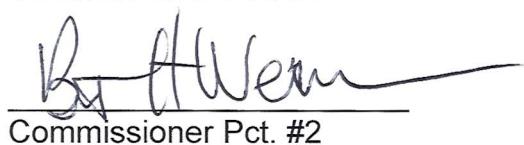
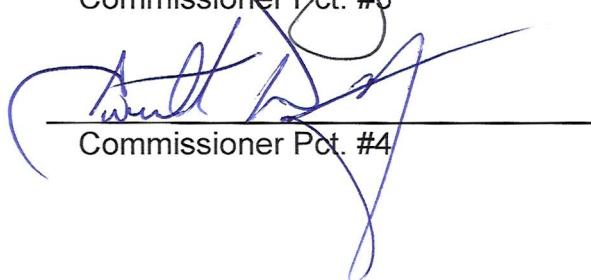
**Date** \_\_\_\_\_

## RESOLUTION

BE IT RESOLVED PURSUANT TO THE TEXAS PROPERTY TAX CODE, SECTION 26.09, THAT COMMISSIONERS' COURT OF JEFFERSON COUNTY HEREBY APPROVE THE 2015 TAX ROLL THIS 26<sup>th</sup> DAY OF OCTOBER, 2015.



County Judge

  
Eddie Arnold  
Commissioner Pct. #1  
Commissioner Pct. #3  
Commissioner Pct. #2  
Commissioner Pct. #4

Sworn to and subscribed before me, the undersigned authority, this 26<sup>th</sup> day of OCTOBER, 2015.

  
CAROLYN GUIDRY, County Clerk

ALLISON NATHAN GETZ  
TAX ASSESSOR-COLLECTOR



TERRY WUENSCHEL  
CHIEF DEPUTY

October 19, 2015

Patrick Swain  
County Auditor  
Jefferson County  
Beaumont, TX

Dear Patrick:

Attached is the **2015 Certified Tax Roll Summary**. Pursuant to the Texas Property Tax Code, Section 26.09, this certified tax roll summary should be approved at the next Commissioners' Court meeting. After the approval, please return the resolution for retention in the Tax Office.

If you should have any questions or require further information, please feel free to call.

Sincerely,

A handwritten signature in black ink that reads "Allison Nathan Getz".

ALLISON NATHAN GETZ, PCC  
Assessor-Collector of Taxes  
Jefferson County, Texas

ANG:db

Attachment

cc: Fran Lee

grandrop.ltr.15

10/09/2015 04:18 pm  
tc502\_juris\_summary.rep v1.10  
Request Seq.: 2007457

Tax Collection System - JEFFERSON COUNTY  
Certified Real Jurisdiction Summary  
Processing For Tax Year: 2015 County Code: ALL Tax Unit: ALL

Page 2 of 32

Jurisdiction:		1 JEFFERSON COUNTY	Tax Rates:	0.3650000	Opt Hom:	0
Total Parcels:		151,800	State Hom:	0	Opt Offs:	0
Market Value:		31,713,964,391	State Offs:	0	Opt Disabled:	0
			Disabled:	40,000		
AG Exclusion Count:			AG Exclusion Amt:	320,205,858		
Timber Exclusion Count:			Timber Exclusion Amt:	19,092,165		
HS Capped Count:			HS Capped Amt:	10,717,567		
Assessed Value:		31,363,948,701				
Prorated-Exxx Count/Amt:		6,920	1,399,770,862	Pro Charitable Functions Count/Amt:	34	4,915,010
100% Exempt Vet Count/Amt:		440	46,925,266	Charitable Org Count/Amt:	1	69,020
Pre Youth Associations Count/Amt:		20	5,149,250	Low Income Housing Count/Amt:	2	2,990,980
Prorated-Excl Count/Amt:		5	2,209,400	Abatement Count/Amt:	12	1,428,041,214
Pro Schools Count/Amt:		85	42,270,350	Pollution Control Count/Amt:	174	1,439,761,489
Pro Misc Exempts Count/Amt:		129	6,496,543	Goods In Transit Count/Amt:	1	31,437,470
Prorated-Exra Count/Amt:		15	1,935,476	HD366 Count/Amt:	124	31,200
State Homestead Count:		0	State Homestead Amt:	0		
Local Homestead Count:		53,354	Local Homestead Amt:	1,150,082,352		
State Over 65 Count:		0	State Over 65 Amt:	0		
Local Over 65 Count:		18,161	Local Over 65 Amt:	673,083,025		
Surviving Spouse Count:		128	Surviving Spouse Amt:	4,815,530		
Disabled Count:		4,407	Disabled Amt:	155,720,787		
Total VET Count:		1,122	Total VET Amt:	10,657,925		
*VET Surviving Spouse Count:		34	*VET Surviving Spouse Amt:	327,120		
*Included in the Total VET Count/Amt						
Partial Exempt Values:		1,904,358,519				
Taxable Value:		24,957,536,652				
Total Levy Amt:		90,496,267,24				
Late AG Penalty Count:		111	Late AG Penalty Amt:	2,292.68		
Late Rendition Penalty Count:		3,355	Late Rendition Penalty Amt:	90,040.90		
Frozen Account Count:		21,817				
Frozen Homestead Value:		2,155,184,722				
Frozen Taxable Value:		919,230,341				
Unfrozen Levy Amt:		3,355,555.11				
Frozen Levy Amt:		2,668,965.46				
Frozen Levy Loss Amt:		686,589.65				
Total Non-Exempt Parcel Count:		151,800				



**2015-2016**

***Jefferson County***

**Investment Policy  
and  
Procedures**

**Jeff R. Branick**

County Judge

**Eddie Arnold**  
Commissioner, Pct. 1

**Brent A. Weaver**  
Commissioner, Pct. 2

**Michael Sinegal**  
Commissioner, Pct. 3

**Everette“Bo” Alfred**  
Commissioner, Pct. 4

**Tim Funchess**  
County Treasurer/Investment Officer

# **JEFFERSON COUNTY**

## **INVESTMENT POLICY AND PROCEDURES**

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#### **ATTACHMENTS, EXHIBITS, AND APPENDICES**

<b>Appendix A:</b>	<b>Govt. Code Title 10: Chapter 2256</b> <b>The Public Funds Investment Act</b>
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<b>Exhibit #3:</b>	<b>Approving Order: Jefferson County Commissioners Court</b>

## 1.0 INVESTMENT STRATEGY

### 1.01 Jefferson County Pooled Cash Funds:

Funds included are: Road and Bridge  
Debt Service  
Jury  
General  
Library  
Mosquito Control  
Airport  
Engineering  
Parks and Recreation  
Special Revenue  
Capital Projects  
Internal Service

#### 1.0101

The funds of Jefferson County, that are invested, are invested by matching the maturity of investments with liabilities. Investments are made with the intention of holding to maturity, but with the ability to liquidate should funds be needed at any time. This strategy is achieved by utilizing highly liquid short term Certificates of Deposit, Treasury Bills and Obligations of the United States or its agencies and instrumentalities with a stated final maturity of three years or less.

### 1.02 Other funds of Jefferson County:

Funds included are: Tax Office  
Community Supervision  
State Fee Officers  
Child Support  
Other account with surplus funds

#### 1.0201

Other funds of Jefferson County, that are invested, are invested by matching maturity of investments with cash needs. Investments are made with the intention of holding to maturity, but with the ability to liquidate should funds be needed at any time. This strategy is achieved by utilizing highly liquid, short term, Treasury Bills and Obligations of the United States or its agencies and instrumentalities with a stated final maturity of three years or less.

## **2.0 INVESTMENT SCOPE**

### **2.01 Legal Authority to Invest**

**TEXAS GOVERNMENT CODE ANN., sec. 2256.003 et seq. (Vernon 1995)** authorizes the Commissioners Court to invest county funds.

### **2.02 County Investment Portfolio Structure**

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

### **2.03 Applicability of Policy**

This policy governs the investment of all financial assets of all funds of Jefferson County, and are managed in compliance with this policy and all applicable state and federal laws.

## **3.0 INVESTMENT OBJECTIVES AND PRIORITIES**

### **3.01 General Statement**

This policy serves to satisfy the statutory requirements of the **TEXAS GOVERNMENT CODE, ANN., Title 10, Section 2256, Public Funds Investment Act**, to define and adopt a formal investment policy.

### **3.02 Safety of Principal**

The primary objective of Jefferson County is to ensure the safety of principal in all funds and to avoid speculative investing.

### **3.03 Maintenance of Adequate Liquidity**

The secondary objective of Jefferson County is to strive to maintain adequate liquidity, through scheduled maturity of investments, to cover the cash needs of the county consistent with the objectives of this policy.

### **3.04 Desired Diversification**

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

**3.05 Rate of Return on Investments**

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

**3.06 Maturity**

**Portfolio maturities will be structured to achieve the highest return of interest consistent with liquidity requirements of the County's cash needs. No investment shall have a legal stated maturity of more than thirty six (36) months.**

**3.07 Quality and Capability of Investment Manager**

**It is the County's policy to provide periodic training in investments for the County Treasurer through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of the County Treasurer in making investment decisions, in compliance with Sec. 2256.008 of the Public Funds Investment Act.**

## **4.0 INVESTMENT RESPONSIBILITY AND CONTROL**

**4.01 Delegation of Investment Authority**

**In accordance with Sec. 2256.005 of the Public Funds Investment Act, the County Commissioners Court, may invest County funds that are not immediately required to pay obligations of the County. The County Treasurer, hereby appointed as Investment Officer, shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.**

**4.02 Investment Advisory Committee**

**The Investment Advisory Committee reviews investment policies and procedures, investment strategies, and investment performance. Members of the Committee should be composed of the County Judge or his designee, County Auditor, County Treasurer, the Head of the Civil Division of the District Attorney's Office and an appointee representing the Commissioners Court. The Chairman will be elected by the Committee, and meetings will be called no less than annually and as needed.**

**4.03 Fiduciary, Prudence, and Ethical Standards**

**Jefferson County adopts the prudent fiduciary rule as applied in the then prevailing circumstances, when managing the County's portfolio, within the applicable legal and policy constraints. The prudent person rule is restated as follows:**

**"Investments must be made with the judgement and care, under prevailing circumstances, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs for investment, not for speculation, considering the probable safety of their capital as well as the probable income to be derived."**

**4.04 Liability of Investment Officer**

**In accordance with Sec. 113.005, Texas Local Government Code, the County Treasurer is not responsible for any loss of the county funds through the failure or negligence of a depository. This section does not release the Treasurer from responsibility for a loss resulting from the official misconduct or negligence of the Treasurer, including a misappropriation of the funds, or from responsibility for funds until a depository is selected and the funds are deposited.**

**4.05 Accounting and Audit Control**

**The Jefferson County Treasurer will establish liaison with the Jefferson County Auditor in preparing investment forms to assist the County Auditor for accounting and auditing control.**

**4.06 Subject to Audit**

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

## **5.0 INVESTMENT REPORTING**

**5.01 Monthly Reporting**

**In accordance with Texas Government Code, Title 10, Sec. 2256.023, the Jefferson County Treasurer will report in writing monthly to Commissioners' Court and to the County Auditor. The report shall include a detailed listing of all purchases, sales and payments, and description of each security held.**

**5.02 Quarterly Reporting**

**In accordance with Texas Government Code, Title 10, Sec. 2256.023, the Jefferson**

County Treasurer will report quarterly the portfolio statistics, listing the type and description of investment in detail, the broker/dealer used for purchase, the yield to maturity, the stated maturity date, and the previous and current market value.

## 6.0 INVESTMENT INSTITUTIONS

### 6.01 Depository Bank

Fully collateralized Time Deposits, Certificates of Deposit, and interest-bearing checking accounts shall be placed at the County Depository Bank under a depository contract executed by Jefferson County Commissioners' Court and in compliance with V.C.T.A., Texas Local Government Code, Chapter 116 and Chapter 117.

### 6.02 Broker/Dealers

The Jefferson County Treasurer shall invest county funds through the Federal Reserve Bank book entry system, consistent with federal and state law and the current Bank Depository contract. Purchases shall be made with:

- 6.0201 U.S. Government Securities Dealers maintaining a National Association of Securities Dealers Series 7 license, and with knowledge of Institutional Investing, recommended by the County Treasurer, the Jefferson County Investment Advisory Committee, and approved by Commissioners Court. Dealers must comply with Section 6.03 of this Investment Policy to be selected.
- 6.0202 The Capital Markets Division of the Depository Bank.
- 6.0203 Investment Pools meeting the standards of Section 2256.016 of the Texas Public Funds Investment Act.

### 6.03 Approval of Broker/Dealer

The Jefferson County Treasurer reviews the applications of the broker/dealer/financial institutions for compliance with this policy and recommends institution must demonstrate possession of the following criteria:

- 6.0301 Institutional investment experience,
- 6.0302 Good references from public fund investment officers.
- 6.0303 Adequate capitalization per the Capital Adequacy Guidelines for Government Securities Dealers published by the New York Federal Reserve Bank.
- 6.0304 An understanding of this Investment Policies and Procedures Manual,
- 6.0305 Regulation by the Securities and Exchange Commission (SEC),
- 6.0306 Membership in good standing in the National Association of Securities Dealers, Inc., and

**6.0307 Valid licensure from the State of Texas.**

## **7.0 INVESTMENT INSTRUMENTS**

**The Jefferson County Treasurer shall use any or all of the following authorized investment instruments consistent with governing law and this policy:**

### **7.01 Bank Investments**

- 7.0101 Fully collateralized Time Deposits.**
- 7.0102 Fully collateralized Certificates of Deposit.**
- 7.0103 Fully collateralized interest-bearing checking accounts.**
- 7.0104 Fully collateralized sweep accounts**

### **7.02 Direct Investments**

- 7.0201 United States Treasury Securities.**
- 7.0202 Obligations of the United States or its agencies and instrumentalities, with a legal stated maturity of no more than thirty six (36) months.**
- 7.0203 Excluded in the direct investments are derivative securities including but not limited to Collateralized Mortgage Obligations.**
- 7.0204 Investment Pools meeting the standards of Section 2256.016 of the Texas Public Funds Investment Act.**

## **8.0 INVESTMENT PROCEDURES**

### **8.01 Confirmation of Trade**

A confirmation of trade will be provided by the broker/dealer to the Jefferson County Treasurer for every purchase of an investment security. This trade ticket and confirmation will become a part of the file that is maintained on every investment security.

### **Delivery Versus Payment**

It will be the policy of the County that all Treasury, and Government Agency 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.

### **Safekeeping Institutions**

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.

## **9.0 COLLATERAL AND SAFEKEEPING**

### **9.01 Collateral or Insurance**

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

- 9.0101 FDIC insurance coverage**
- 9.0102 United States Government Bonds, Notes, and Bills**
- 9.0103 Securities of federally-sponsored U. S. Agencies and instrumentalities of the United States Government.**
- 9.0104 Letters of Credit issued by the Federal Home Loan Bank of Dallas.**

### **9.02 Safekeeping**

**Securities pledged as collateral shall be deposited in trust with the Federal Reserve Bank, or another disinterested third party bank, under an appropriate legal contract. The amount of such securities pledged shall be determined by their market value.**

### **9.03 Collateral Reporting**

**The Treasurer of Jefferson County shall report to the County Commissioners' Court valuation of all collateral compared to all county deposits on a monthly basis. Collateral deficiencies should be identified and immediately corrected through additional collateral deposited or reductions in the volume of deposited funds.**

## **10.0 INVESTMENT POLICY REVIEW AND AMENDMENT**

### **Review Procedures**

**The Jefferson County Commissioners' Court shall review its investment policy and investment strategies not less than annually.**

### **Changes to the Investment Policy**

**The County Treasurer and the Investment Advisory Committee, must review the Jefferson County Investment Policy not less than annually and recommend any changes to the Commissioners' Court.**

**EXHIBIT 1****Certification**

## CERTIFICATION

I hereby certify that I have personally read and understand the investment policy and procedures of Jefferson County, and have implemented reasonable procedures and controls designed to fulfill those objectives and conditions. Transactions between this firm and Jefferson County, will be directed towards precluding imprudent investment activities and protecting the Counties from credit risk.

All the sales personnel of this firm dealing with Jefferson County's accounts have been informed and will be routinely informed of the County's investment horizons, limitations, strategy, and risk constraints, whenever we are so informed.

This firm pledges due diligence in informing the County of foreseeable risks associated with financial transactions connected to this firm.

---

(Firm)

---

(Firm Representative)

---

(Representative's Title)

---

(Registration or Dealer Number)

---

(Signature)

---

(Date)

**EXHIBIT 2**

**APPROVED LIST OF BROKER/DEALERS**

## **Approved List of Broker/Dealers**

**National Alliance Securities**  
**Howard LeDet**  
**2245 Texas Drive**  
**Suite 300**  
**Sugar Land, TX 77479**

**Wells Fargo Bank**  
**Josh Rodriguez**  
**6250 Delaware Street**  
**Beaumont, Texas 77706**

**Wells Fargo Capital Markets**  
**Kenneth Guillory**  
**1000 Louisiana Street, Suite 600**  
**Houston, Texas 77002**

**Coastal Securities, Inc.**  
**Tony D. Sekaly**  
**920 Memorial City Way, 11<sup>th</sup> Floor**  
**Houston, TX 77024**

**Texas Class**  
**Bill Moritz, Danny King**  
**2435 N. Central Expressway, Suite 1200**  
**Richardson, TX 75080**  
**(C/O Karen Proctor)**

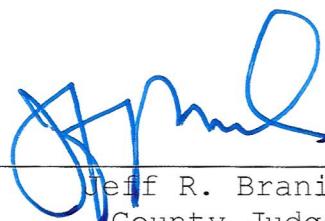
**EXHIBIT 3**

**APPROVING ORDER**

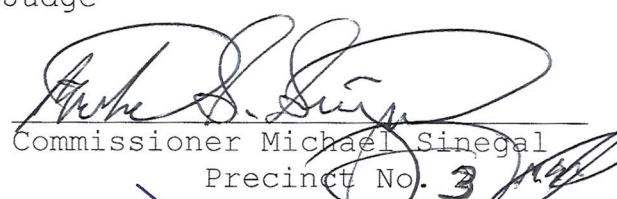
ORDER APPROVING  
JEFFERSON COUNTY INVESTMENT POLICY AND PROCEDURES

Upon a motion of Commissioner Eddie Arnold, seconded by Commissioner Everette D. Alfred, unanimously adopted the following policies and procedures, and the same are hereby approved, received and ordered filed.

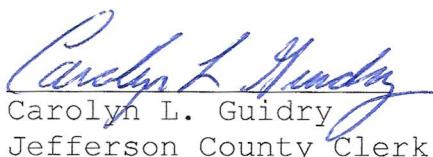
ORDERED this 26th day of October, 2015



Jeff R. Branick  
County Judge

  
Commissioner Eddie Arnold  
Precinct No. 1  
Commissioner Michael Sinegal  
Precinct No. 3  
Commissioner Brent A. Weaver  
Precinct No. 2  
Commissioner Everette D. Alfred  
Precinct No. 4

ATTEST:

  
Carolyn L. Guidry  
Jefferson County Clerk

## **APPENDIX A**

### **Chapter 2256-Public Funds Investment Act**

## GOVERNMENT CODE

## TITLE 10. GENERAL GOVERNMENT

## SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

## CHAPTER 2256. PUBLIC FUNDS INVESTMENT

## SUBCHAPTER A. AUTHORIZED INVESTMENTS FOR GOVERNMENTAL ENTITIES

Sec. 2256.001. SHORT TITLE. This chapter may be cited as the Public Funds Investment Act.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

## Sec. 2256.002. DEFINITIONS. In this chapter:

(1) "Bond proceeds" means the proceeds from the sale of bonds, notes, and other obligations issued by an entity, and reserves and funds maintained by an entity for debt service purposes.

(2) "Book value" means the original acquisition cost of an investment plus or minus the accrued amortization or accretion.

(3) "Funds" means public funds in the custody of a state agency or local government that:

(A) are not required by law to be deposited in the state treasury; and

(B) the investing entity has authority to invest.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(5) "Investing entity" and "entity" mean an entity subject to this chapter and described by Section 2256.003.

(6) "Investment pool" means an entity created under this code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are:

- (A) preservation and safety of principal;
- (B) liquidity; and
- (C) yield.

(7) "Local government" means a municipality, a county, a school district, a district or authority created under Section 52(b)(1) or (2), Article III, or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, and any nonprofit corporation acting on behalf of any of those entities.

(8) "Market value" means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

(9) "Pooled fund group" means an internally created fund of an investing entity in which one or more institutional accounts

of the investing entity are invested.

(10) "Qualified representative" means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

(A) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

(B) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution;

(C) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool; or

(D) for an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or, if not subject to registration under that Act, registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

(11) "School district" means a public school district.

(12) "Separately invested asset" means an account or

fund of a state agency or local government that is not invested in a pooled fund group.

(13) "State agency" means an office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 1, eff. Sept. 1, 1999.

Sec. 2256.003. AUTHORITY TO INVEST FUNDS; ENTITIES SUBJECT TO THIS CHAPTER. (a) Each governing body of the following entities may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006:

- (1) a local government;
- (2) a state agency;
- (3) a nonprofit corporation acting on behalf of a local government or a state agency; or
- (4) an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

(b) In the exercise of its powers under Subsection (a), the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution.

(c) This chapter does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under this chapter.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

- (1) a public retirement system as defined by Section 802.001;
- (2) state funds invested as authorized by Section 404.024;

(3) an institution of higher education having total endowments of at least \$95 million in book value on May 1, 1995;

(4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;

(5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

- (1) be written;
- (2) primarily emphasize safety of principal and liquidity;
- (3) address investment diversification, yield, and maturity and the quality and capability of investment management; and
- (4) include:
  - (A) a list of the types of authorized investments in which the investing entity's funds may be invested;
  - (B) the maximum allowable stated maturity of any individual investment owned by the entity;
  - (C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;
  - (D) methods to monitor the market price of investments acquired with public funds;
  - (E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
  - (F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

- (1) orally;
- (2) in writing;
- (3) electronically; or
- (4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

- (1) understanding of the suitability of the investment to the financial requirements of the entity;
- (2) preservation and safety of principal;
- (3) liquidity;
- (4) marketability of the investment if the need arises to liquidate the investment before maturity;
- (5) diversification of the investment portfolio; and
- (6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to

either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity.

If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685,

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(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421,

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(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An

investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(j) The governing body of an investing entity may specify in its investment policy that any investment authorized by this chapter is not suitable.

(k) A written copy of the investment policy shall be

presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this subsection, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity; and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

(l) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a person who has not delivered to the entity the instrument required by Subsection (k).

(m) An investing entity other than a state agency, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the entity's established investment policies.

(n) Except as provided by Subsection (o), at least once every two years a state agency shall arrange for a compliance audit of management controls on investments and adherence to the agency's established investment policies. The compliance audit shall be performed by the agency's internal auditor or by a private auditor employed in the manner provided by Section 321.020. Not later than January 1 of each even-numbered year a state agency shall report the results of the most recent audit performed under this subsection to the state auditor. Subject to a risk assessment and to the legislative audit committee's approval of including a review by the state auditor in the audit plan under Section 321.013, the state auditor may review information provided under this section. If review by the state auditor is approved by the legislative audit committee, the state auditor may, based on its review, require a state agency to also report to the state auditor other information the state auditor determines necessary to assess compliance with

laws and policies applicable to state agency investments. A report under this subsection shall be prepared in a manner the state auditor prescribes.

(o) The audit requirements of Subsection (n) do not apply to assets of a state agency that are invested by the comptroller under Section 404.024.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 685, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 3, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 4, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 785, Sec. 41, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 1, eff. June 17, 2011.

Sec. 2256.006. STANDARD OF CARE. (a) 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.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.007. INVESTMENT TRAINING; STATE AGENCY BOARD MEMBERS AND OFFICERS. (a) Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under this chapter within six months after taking office or assuming duties.

(b) The Texas Higher Education Coordinating Board shall provide the training under this section.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks,

diversification of investment portfolio, and compliance with this chapter.

(d) An investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. The investment officer shall prepare a report on this subchapter and deliver the report to the governing body of the state agency not later than the 180th day after the last day of each regular session of the legislature.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 73, Sec. 1, eff. May 9, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 4, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 2, eff. June 17, 2011.

Sec. 2256.008. INVESTMENT TRAINING; LOCAL GOVERNMENTS.

(a) Except as provided by Subsections (b) and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local

government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) except as provided by Subsections (b) and (e), attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

(b) An investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, that has contracted with an investment management firm under Section 2256.003(b) and has fewer than five full-time employees or an investing entity that has contracted with another investing entity to invest the entity's funds may satisfy the training requirement provided by Subsection (a)(2) by having an officer of the governing body attend four hours of appropriate instruction in

a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date. The treasurer or chief financial officer of an investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, and that has fewer than five full-time employees is not required to attend training required by this section unless the person is also the investment officer of the entity.

(c) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with this chapter.

(d) Not later than December 31 each year, each individual, association, business, organization, governmental entity, or other person that provides training under this section shall report to the comptroller a list of the governmental entities for which the person provided required training under this section during that calendar year. An individual's reporting requirements under this subsection are satisfied by a report of the individual's employer or the sponsoring or organizing entity of a training program or seminar.

(e) This section does not apply to a district governed by Chapter 36 or 49, Water Code.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1,

1995; Acts 1997, 75th Leg., ch. 1421, Sec. 5, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 69, Sec. 4, eff. May 14, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 3, eff. June 17, 2011.

Sec. 2256.009. AUTHORIZED INVESTMENTS: OBLIGATIONS OF, OR GUARANTEED BY GOVERNMENTAL ENTITIES. (a) Except as provided by Subsection (b), the following are authorized investments under this subchapter:

(1) obligations, including letters of credit, of the United States or its agencies and instrumentalities;

(2) direct obligations of this state or its agencies and instrumentalities;

(3) 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;

(4) 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, including obligations that are fully guaranteed or insured by the Federal

Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

(5) 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; and

(6) bonds issued, assumed, or guaranteed by the State of Israel.

(b) The following are not authorized investments under this section:

(1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and

(4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 7, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 558, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 4, eff. June 17, 2011.

Sec. 2256.010. AUTHORIZED INVESTMENTS: CERTIFICATES OF DEPOSIT AND SHARE CERTIFICATES. (a) A certificate of deposit or share certificate is an authorized investment under this subchapter if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;

(2) 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 of the nature described by Section 2256.009(b); or

(3) secured in any other manner and amount provided by law for deposits of the investing entity.

(b) In addition to the authority to invest funds in certificates of deposit under Subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:

(1) the funds are invested by an investing entity through:

(A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Section 2256.025; or

(B) a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;

(2) the broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;

(3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

(4) the investing entity appoints the depository institution selected by the investing entity under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

Amended by Acts 1995, 74th Leg., ch. 32, Sec. 1, eff. April 28, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 6, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 128, Sec. 1, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 5, eff. June 17, 2011.

Sec. 2256.011. AUTHORIZED INVESTMENTS: REPURCHASE AGREEMENTS. (a) A fully collateralized repurchase agreement is an authorized investment under this subchapter if the repurchase agreement:

(1) has a defined termination date;  
(2) is secured by a combination of cash and obligations described by Section 2256.009(a)(1); and  
(3) requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and

(4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

(b) 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 by Section 2256.009(a)(1), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

(c) Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

(d) Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 6, eff. June 17, 2011.

Sec. 2256.0115. AUTHORIZED INVESTMENTS: SECURITIES LENDING PROGRAM. (a) A securities lending program is an authorized investment under this subchapter if it meets the conditions provided by this section.

(b) To qualify as an authorized investment under this subchapter:

(1) the value of securities loaned under the program must be not less than 100 percent collateralized, including accrued income;

(2) a loan made under the program must allow for termination at any time;

(3) a loan made under the program must be secured by:

(A) pledged securities described by Section 2256.009;

(B) pledged irrevocable letters of credit issued by a bank that is:

(i) organized and existing under the laws of the United States or any other state; and

(ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or

(C) cash invested in accordance with Section:

(i) 2256.009;

(ii) 2256.013;

(iii) 2256.014; or

(iv) 2256.016;

(4) the terms of a loan made under the program must require that the securities being held as collateral be:

(A) pledged to the investing entity;  
(B) held in the investing entity's name; and  
(C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;

(5) a loan made under the program must be placed through:

(A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or

(B) a financial institution doing business in this state; and

(6) an agreement to lend securities that is executed under this section must have a term of one year or less.

Added by Acts 2003, 78th Leg., ch. 1227, Sec. 1, eff. Sept. 1, 2003.

Sec. 2256.012. AUTHORIZED INVESTMENTS: BANKER'S ACCEPTANCES. A bankers' acceptance is an authorized investment under this subchapter if the bankers' acceptance:

(1) has a stated maturity of 270 days or fewer from the date of its issuance;

(2) will be, in accordance with its terms, liquidated in full at maturity;

(3) is eligible for collateral for borrowing from a Federal Reserve Bank; and

(4) is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.013. AUTHORIZED INVESTMENTS: COMMERCIAL PAPER.

Commercial paper is an authorized investment under this subchapter if the commercial paper:

(1) has a stated maturity of 270 days or fewer from the date of its issuance; and

(2) 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.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.014. AUTHORIZED INVESTMENTS: MUTUAL FUNDS. (a) A no-load money market mutual fund is an authorized investment under this subchapter if the mutual fund:

(1) is registered with and regulated by the Securities and Exchange Commission;

(2) provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);

(3) has a dollar-weighted average stated maturity of 90 days or fewer; and

(4) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share.

(b) In addition to a no-load money market mutual fund permitted as an authorized investment in Subsection (a), a no-load mutual fund is an authorized investment under this subchapter if the mutual fund:

(1) is registered with the Securities and Exchange Commission;

(2) has an average weighted maturity of less than two years;

(3) is invested exclusively in obligations approved by this subchapter;

(4) 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

(5) conforms to the requirements set forth in Sections 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

(c) An entity is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in Subsection (b);

(2) invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in Subsection (b); or

(3) invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in Subsection (a) or (b) in an amount that exceeds 10 percent of the total assets of the mutual fund.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 7, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 8, eff. Sept. 1, 1999.

Sec. 2256.015. AUTHORIZED INVESTMENTS: GUARANTEED INVESTMENT CONTRACTS. (a) A guaranteed investment contract is an authorized investment for bond proceeds under this subchapter if the guaranteed investment contract:

- (1) has a defined termination date;
- (2) is secured by obligations described by Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and
- (3) is pledged to the entity and deposited with the entity or with a third party selected and approved by the entity.

(b) Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested under this subchapter in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.

(c) To be eligible as an authorized investment:

- (1) the governing body of the entity must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;

- (2) the entity must receive bids from at least three separate providers with no material financial interest in the bonds

from which proceeds were received;

(3) the entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;

(4) the price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and

(5) the provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 8, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1454, Sec. 9, 10, eff. Sept. 1, 1999.

Sec. 2256.016. AUTHORIZED INVESTMENTS: INVESTMENT POOLS.

(a) An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool.

(b) 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.

(c) 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, including a statement regarding how yield is calculated;
- (J) the portfolio managers of the pool; and
- (K) any changes or addenda to the offering circular.

(d) 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.

(e) 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.

(f) 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. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

(g) 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.

(h) 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.

(i) If the investment pool operates an Internet website, the

information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.

(j) To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.

(k) If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1421, Sec. 9, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 7, eff. June 17, 2011.

Sec. 2256.017. EXISTING INVESTMENTS. An entity is not required to liquidate investments that were authorized investments at the time of purchase.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.46(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 10, eff. Sept. 1,

1997.

Sec. 2256.019. RATING OF CERTAIN INVESTMENT POOLS. A public funds 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.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 11, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 8, eff. June 17, 2011.

Sec. 2256.020. AUTHORIZED INVESTMENTS: INSTITUTIONS OF HIGHER EDUCATION. In addition to the authorized investments permitted by this subchapter, an institution of higher education may purchase, sell, and invest its funds and funds under its control in the following:

(1) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f));

(2) negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that

is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency; and

(3) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.0201. AUTHORIZED INVESTMENTS; MUNICIPAL UTILITY.

(a) A municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may enter into a hedging contract and related security and insurance agreements in relation to fuel oil, natural gas, coal, nuclear fuel, and electric energy to protect against loss due to price fluctuations. A hedging transaction must comply with the regulations of the Commodity Futures Trading Commission and the Securities and Exchange Commission. If there is a conflict between the municipal charter of the municipality and this chapter, this chapter prevails.

(b) A payment by a municipally owned electric or gas utility under a hedging contract or related agreement in relation to fuel supplies or fuel reserves is a fuel expense, and the utility may credit any amounts it receives under the contract or agreement

against fuel expenses.

(c) The governing body of a municipally owned electric or gas utility or the body vested with power to manage and operate the municipally owned electric or gas utility may set policy regarding hedging transactions.

(d) In this section, "hedging" means the buying and selling of fuel oil, natural gas, coal, nuclear fuel, and electric energy futures or options or similar contracts on those commodities and related transportation costs as a protection against loss due to price fluctuation.

Added by Acts 1999, 76th Leg., ch. 405, Sec. 48, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 7, Sec. 1, eff. April 13, 2007.

Sec. 2256.0202. AUTHORIZED INVESTMENTS: MUNICIPAL FUNDS FROM MANAGEMENT AND DEVELOPMENT OF MINERAL RIGHTS. (a) In addition to other investments authorized under this subchapter, a municipality may invest funds received by the municipality from a lease or contract for the management and development of land owned by the municipality and leased for oil, gas, or other mineral development in any investment authorized to be made by a trustee under Subtitle B, Title 9, Property Code (Texas Trust Code).

(b) Funds invested by a municipality under this section shall be segregated and accounted for separately from other funds of the municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1371, Sec. 1, eff. September 1, 2009.

Sec. 2256.0203. AUTHORIZED INVESTMENTS: PORTS AND NAVIGATION DISTRICTS. (a) In this section, "district" means a navigation district organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(b) In addition to the authorized investments permitted by this subchapter, a port or district may purchase, sell, and invest its funds and funds under its control in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency.

Added by Acts 2011, 82nd Leg., R.S., Ch. 804, Sec. 1, eff. September 1, 2011.

Sec. 2256.0204. AUTHORIZED INVESTMENTS: INDEPENDENT SCHOOL DISTRICTS. (a) In this section, "corporate bond" means a senior secured debt obligation issued by a domestic business entity and

rated not lower than "AA-" or the equivalent by a nationally recognized investment rating firm. The term does not include a debt obligation that:

(1) on conversion, would result in the holder becoming a stockholder or shareholder in the entity, or any affiliate or subsidiary of the entity, that issued the debt obligation; or

(2) is an unsecured debt obligation.

(b) This section applies only to an independent school district that qualifies as an issuer as defined by Section 1371.001.

(c) In addition to authorized investments permitted by this subchapter, an independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds that, at the time of purchase, are rated by a nationally recognized investment rating firm "AA-" or the equivalent and have a stated final maturity that is not later than the third anniversary of the date the corporate bonds were purchased.

(d) An independent school district subject to this section is not authorized by this section to:

(1) invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for the payment of debt service, in corporate bonds; or

(2) invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity.

(e) An independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds if the governing body of the district:

(1) amends its investment policy to authorize corporate bonds as an eligible investment;

(2) adopts procedures to provide for:

(A) monitoring rating changes in corporate bonds acquired with public funds; and

(B) liquidating the investment in corporate bonds; and

(3) identifies the funds eligible to be invested in corporate bonds.

(f) The investment officer of an independent school district, acting on behalf of the district, shall sell corporate bonds in which the district has invested its funds not later than the seventh day after the date a nationally recognized investment rating firm:

(1) issues a release that places the corporate bonds or the domestic business entity that issued the corporate bonds on negative credit watch or the equivalent, if the corporate bonds are rated "AA-" or the equivalent at the time the release is issued; or

(2) changes the rating on the corporate bonds to a rating lower than "AA-" or the equivalent.

(g) Corporate bonds are not an eligible investment for a public funds investment pool.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1347, Sec. 1, eff. June 17, 2011.

Sec. 2256.0205. AUTHORIZED INVESTMENTS; DECOMMISSIONING TRUST. (a) In this section:

(1) "Decommissioning trust" means a trust created to provide the Nuclear Regulatory Commission assurance that funds will be available for decommissioning purposes as required under 10 C.F.R. Part 50 or other similar regulation.

(2) "Funds" includes any money held in a decommissioning trust regardless of whether the money is considered to be public funds under this subchapter.

(b) In addition to other investments authorized under this subchapter, a municipality that owns a municipal electric utility that is engaged in the distribution and sale of electric energy or natural gas to the public may invest funds held in a decommissioning trust in any investment authorized by Subtitle B, Title 9, Property Code.

Added by Acts 2005, 79th Leg., Ch. 121, Sec. 1, eff. September 1, 2005.

Sec. 2256.021. EFFECT OF LOSS OF REQUIRED RATING. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.022. EXPANSION OF INVESTMENT AUTHORITY. Expansion of investment authority granted by this chapter shall require a risk assessment by the state auditor or performed at the direction of the state auditor, subject to the legislative audit committee's approval of including the review in the audit plan under Section 321.013.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 2003, 78th Leg., ch. 785, Sec. 42, eff. Sept. 1, 2003.

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

- (1) describe in detail the investment position of the entity on the date of the report;
- (2) be prepared jointly by all investment officers of the entity;
- (3) be signed by each investment officer of the entity;
- (4) contain a summary statement of each pooled fund group that states the:
  - (A) beginning market value for the reporting period;
  - (B) ending market value for the period; and
  - (C) fully accrued interest for the reporting period;
- (5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- (6) state the maturity date of each separately invested asset that has a maturity date;
- (7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
- (8) state the compliance of the investment portfolio of the state agency or local government as it relates to:
  - (A) the investment strategy expressed in the

agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004, Sec. 9, eff. June 17, 2011.

Sec. 2256.024. SUBCHAPTER CUMULATIVE. (a) The authority granted by this subchapter is in addition to that granted by other law. Except as provided by Subsection (b), this subchapter does not:

(1) prohibit an investment specifically authorized by

other law; or

(2) authorize an investment specifically prohibited by other law.

(b) Except with respect to those investing entities described in Subsection (c), a security described in Section 2256.009(b) is not an authorized investment for a state agency, a local government, or another investing entity, notwithstanding any other provision of this chapter or other law to the contrary.

(c) Mortgage pass-through certificates and individual mortgage loans that may constitute an investment described in Section 2256.009(b) are authorized investments with respect to the housing bond programs operated by:

(1) the Texas Department of Housing and Community Affairs or a nonprofit corporation created to act on its behalf;

(2) an entity created under Chapter 392, Local Government Code; or

(3) an entity created under Chapter 394, Local Government Code.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.025. SELECTION OF AUTHORIZED BROKERS. The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers

that are authorized to engage in investment transactions with the entity.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

Sec. 2256.026. STATUTORY COMPLIANCE. All investments made by entities must comply with this subchapter and all federal, state, and local statutes, rules, or regulations.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

#### SUBCHAPTER B. MISCELLANEOUS PROVISIONS

Sec. 2256.051. ELECTRONIC FUNDS TRANSFER. Any local government may use electronic means to transfer or invest all funds collected or controlled by the local government.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.052. PRIVATE AUDITOR. Notwithstanding any other law, a state agency shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1,

1995.

Sec. 2256.053. PAYMENT FOR SECURITIES PURCHASED BY STATE.

The comptroller or the disbursing officer of an agency that has the power to invest assets directly may pay for authorized securities purchased from or through a member in good standing of the National Association of Securities Dealers or from or through a national or state bank on receiving an invoice from the seller of the securities showing that the securities have been purchased by the board or agency and that the amount to be paid for the securities is just, due, and unpaid. A purchase of securities may not be made at a price that exceeds the existing market value of the securities.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.67, eff. Sept. 1, 1997.

Sec. 2256.054. DELIVERY OF SECURITIES PURCHASED BY STATE. A security purchased under this chapter may be delivered to the comptroller, a bank, or the board or agency investing its funds. The delivery shall be made under normal and recognized practices in the securities and banking industries, including the book entry procedure of the Federal Reserve Bank.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1,

1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.68, eff. Sept. 1, 1997.

Sec. 2256.055. DEPOSIT OF SECURITIES PURCHASED BY STATE. At the direction of the comptroller or the agency, a security purchased under this chapter may be deposited in trust with a bank or federal reserve bank or branch designated by the comptroller, whether in or outside the state. The deposit shall be held in the entity's name as evidenced by a trust receipt of the bank with which the securities are deposited.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1423, Sec. 8.69, eff. Sept. 1, 1997.

## **APPENDIX B**

### **Chapter 2257-Public Funds Collateral Act**

## GOVERNMENT CODE

## TITLE 10. GENERAL GOVERNMENT

## SUBTITLE F. STATE AND LOCAL CONTRACTS AND FUND MANAGEMENT

## CHAPTER 2257. COLLATERAL FOR PUBLIC FUNDS

## SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2257.001. SHORT TITLE. This chapter may be cited as the Public Funds Collateral Act.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.002. DEFINITIONS. In this chapter:

(1) "Bank holding company" has the meaning assigned by Section 31.002(a), Finance Code.

(2) "Control" has the meaning assigned by Section 31.002(a), Finance Code.

(3) "Deposit of public funds" means public funds of a public entity that:

(A) the comptroller does not manage under Chapter 404; and

(B) are held as a demand or time deposit by a depository institution expressly authorized by law to accept a public entity's demand or time deposit.

(4) "Eligible security" means:

(A) a surety bond;  
(B) an investment security;  
(C) an ownership or beneficial interest in an investment security, other than an option contract to purchase or sell an investment security;

(D) a fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security;

(E) a floating-rate collateralized mortgage obligation that does not constitute a high-risk mortgage security; or

(F) a letter of credit issued by a federal home loan bank.

(5) "Investment security" means:

(A) an obligation that in the opinion of the attorney general of the United States is a general obligation of the United States and backed by its full faith and credit;

(B) a general or special obligation issued by a public agency that is payable from taxes, revenues, or a combination of taxes and revenues; or

(C) a security in which a public entity may invest under Subchapter A, Chapter 2256.

(6) "Permitted institution" means:

(A) a Federal Reserve Bank;

(B) a clearing corporation, as defined by Section 8.102, Business & Commerce Code;

(C) a bank eligible to be a custodian under Section 2257.041; or

(D) a state or nationally chartered bank that is controlled by a bank holding company that controls a bank eligible to be a custodian under Section 2257.041.

(7) "Public agency" means a state or a political or governmental entity, agency, instrumentality, or subdivision of a state, including a municipality, an institution of higher education, as defined by Section 61.003, Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital.

(8) "Public entity" means a public agency in this state, but does not include an institution of higher education, as defined by Section 61.003, Education Code.

(9) "State agency" means a public entity that:

(A) has authority that is not limited to a geographic portion of the state; and

(B) was created by the constitution or a statute.

(10) "Trust receipt" means evidence of receipt, identification, and recording, including:

(A) a physical controlled trust receipt; or

(B) a written or electronically transmitted advice

of transaction.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.48(a), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 914, Sec. 5, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 254, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 891, Sec. 3.22(4), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1423, Sec. 8.70, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 7.63, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 783, Sec. 1, eff. June 17, 2011.

Sec. 2257.0025. HIGH-RISK MORTGAGE SECURITY. (a) For purposes of this chapter, a fixed-rate collateralized mortgage obligation is a high-risk mortgage security if the security:

(1) has an average life sensitivity with a weighted average life that:

(A) extends by more than four years, assuming an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or

(B) shortens by more than six years, assuming an immediate and sustained parallel shift in the yield curve of minus 300 basis points; and

(2) is price sensitive; that is, the estimated change

in the price of the mortgage derivative product is more than 17 percent, because of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

(b) For purposes of this chapter, a floating-rate collateralized mortgage obligation is a high-risk mortgage security if the security:

(1) bears an interest rate that is equal to the contractual cap on the instrument; or

(2) is price sensitive; that is, the estimated change in the price of the mortgage derivative product is more than 17 percent, because of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

Added by Acts 1997, 75th Leg., ch. 254, Sec. 2, eff. Sept. 1, 1997.

Sec. 2257.003. CHAPTER NOT APPLICABLE TO DEFERRED COMPENSATION PLANS. This chapter does not apply to funds that a public entity maintains or administers under a deferred compensation plan, the federal income tax treatment of which is governed by Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401(k) and 457).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.004. CONFLICT WITH OTHER LAW. This chapter prevails over any other law relating to security for a deposit of

public funds to the extent of any conflict.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.005. CONTRACT GOVERNS LEGAL ACTION. A legal action brought by or against a public entity that arises out of or in connection with the duties of a depository, custodian, or permitted institution under this chapter must be brought and maintained as provided by the contract with the public entity.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

#### SUBCHAPTER B. DEPOSITORY; SECURITY FOR DEPOSIT OF PUBLIC FUNDS

Sec. 2257.021. COLLATERAL REQUIRED. A deposit of public funds shall be secured by eligible security to the extent and in the manner required by this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.022. AMOUNT OF COLLATERAL. (a) Except as provided by Subsection (b), the total value of eligible security to secure a deposit of public funds must be in an amount not less than the amount of the deposit of public funds:

(1) increased by the amount of any accrued interest; and

(2) reduced to the extent that the United States or an

instrumentality of the United States insures the deposit.

(b) The total value of eligible security described by Section 45.201(4)(D), Education Code, to secure a deposit of public funds of a school district must be in an amount not less than 110 percent of the amount of the deposit as determined under Subsection (a). The total market value of the eligible security must be reported at least once each month to the school district.

(c) The value of a surety bond is its face value.

(d) The value of an investment security is its market value.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 46, eff. Sept. 1, 2003.

Sec. 2257.023. COLLATERAL POLICY. (a) In accordance with a written policy approved by the governing body of the public entity, a public entity shall determine if an investment security is eligible to secure deposits of public funds.

(b) The written policy may include:

(1) the security of the institution that obtains or holds an investment security;

(2) the substitution or release of an investment security; and

(3) the method by which an investment security used to secure a deposit of public funds is valued.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.024. CONTRACT FOR SECURING DEPOSIT OF PUBLIC FUNDS.

(a) A public entity may contract with a bank that has its main office or a branch office in this state to secure a deposit of public funds.

(b) The contract may contain a term or condition relating to an investment security used as security for a deposit of public funds, including a term or condition relating to the:

- (1) possession of the collateral;
- (2) substitution or release of an investment security;
- (3) ownership of the investment securities of the bank used to secure a deposit of public funds; and
- (4) method by which an investment security used to secure a deposit of public funds is valued.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1999, 76th Leg., ch. 344, Sec. 5.006, eff. Sept. 1, 1999.

Sec. 2257.025. RECORDS OF DEPOSITORY. (a) A public entity's depository shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of public funds, and a transaction related to a pledged investment security.

(b) The comptroller or the public entity may examine and

verify at any reasonable time a pledged investment security or a record a depository maintains under this section.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.16, eff. Sept. 1, 1997.

Sec. 2257.026. CHANGE IN AMOUNT OR ACTIVITY OF DEPOSITS OF PUBLIC FUNDS. A public entity shall inform the depository for the public entity's deposit of public funds of a significant change in the amount or activity of those deposits within a reasonable time before the change occurs.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

#### SUBCHAPTER C. CUSTODIAN; PERMITTED INSTITUTION

Sec. 2257.041. DEPOSIT OF SECURITIES WITH CUSTODIAN. (a) In addition to other authority granted by law, a depository for a public entity other than a state agency may deposit with a custodian a security pledged to secure a deposit of public funds.

(b) At the request of the public entity, a depository for a public entity other than a state agency shall deposit with a custodian a security pledged to secure a deposit of public funds.

(c) A depository for a state agency shall deposit with a custodian a security pledged to secure a deposit of public funds.

The custodian and the state agency shall agree in writing on the terms and conditions for securing a deposit of public funds.

(d) A custodian must be approved by the public entity and be:

(1) a state or national bank that:

(A) is designated by the comptroller as a state depository;

(B) has its main office or a branch office in this state; and

(C) has a capital stock and permanent surplus of \$5 million or more;

(2) the Texas Treasury Safekeeping Trust Company;

(3) a Federal Reserve Bank or a branch of a Federal Reserve Bank;

(4) a federal home loan bank; or

(5) a financial institution authorized to exercise fiduciary powers that is designated by the comptroller as a custodian pursuant to Section 404.031(e).

(e) A custodian holds in trust the securities to secure the deposit of public funds of the public entity in the depository pledging the securities.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 1010, Sec. 1, eff. June 17, 1995; Acts 1997, 75th Leg., ch. 891, Sec. 3.17, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 344, Sec. 5.007, eff. Sept. 1,

1999.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 3, eff. September 1, 2009.

Sec. 2257.042. DEPOSIT OF SECURITIES WITH PERMITTED INSTITUTION. (a) A custodian may deposit with a permitted institution an investment security the custodian holds under Section 2257.041.

(b) If a deposit is made under Subsection (a):

(1) the permitted institution shall hold the investment security to secure funds the public entity deposits in the depository that pledges the investment security;

(2) the trust receipt the custodian issues under Section 2257.045 shall show that the custodian has deposited the security in a permitted institution; and

(3) the permitted institution, on receipt of the investment security, shall immediately issue to the custodian an advice of transaction or other document that is evidence that the custodian deposited the security in the permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.043. DEPOSITORY AS CUSTODIAN OR PERMITTED INSTITUTION. (a) A public entity other than a state agency may

prohibit a depository or an entity of which the depository is a branch from being the custodian of or permitted institution for a security the depository pledges to secure a deposit of public funds.

(b) A depository or an entity of which the depository is a branch may not be the custodian of or permitted institution for a security the depository pledges to secure a deposit of public funds by a state agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.044. CUSTODIAN AS BAILEE. (a) A custodian under this chapter or a custodian of a security pledged to an institution of higher education, as defined by Section 61.003, Education Code, whether acting alone or through a permitted institution, is for all purposes the bailee or agent of the public entity or institution depositing the public funds with the depository.

(b) To the extent of any conflict, Subsection (a) prevails over Chapter 8 or 9, Business & Commerce Code.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.045. RECEIPT OF SECURITY BY CUSTODIAN. On receipt of an investment security, a custodian shall:

(1) immediately identify on its books and records, by book entry or another method, the pledge of the security to the

public entity; and

(2) promptly issue and deliver to the appropriate public entity officer a trust receipt for the pledged security.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.046. BOOKS AND RECORDS OF CUSTODIAN; INSPECTION.

(a) A public entity's custodian shall maintain a separate, accurate, and complete record relating to each pledged investment security and each transaction relating to a pledged investment security.

(b) The comptroller or the public entity may examine and verify at any reasonable time a pledged investment security or a record a custodian maintains under this section. The public entity or its agent may inspect at any time an investment security evidenced by a trust receipt.

(c) The public entity's custodian shall file a collateral report with the comptroller in the manner and on the dates prescribed by the comptroller.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.18, eff. Sept. 1, 1997.

Sec. 2257.047. BOOKS AND RECORDS OF PERMITTED INSTITUTION.

(a) A permitted institution may apply book entry procedures when

an investment security held by a custodian is deposited under Section 2257.042.

(b) A permitted institution's records must at all times state the name of the custodian that deposits an investment security in the permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.048. ATTACHMENT AND PERFECTION OF SECURITY INTEREST. (a) A security interest that arises out of a depository's pledge of a security to secure a deposit of public funds by a public entity or an institution of higher education, as defined by Section 61.003, Education Code, is created, attaches, and is perfected for all purposes under state law from the time that the custodian identifies the pledge of the security on the custodian's books and records and issues the trust receipt.

(b) A security interest in a pledged security remains perfected in the hands of a subsequent custodian or permitted institution.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

#### SUBCHAPTER D. AUDITS AND EXAMINATIONS; PENALTIES

Sec. 2257.061. AUDITS AND EXAMINATIONS. As part of an audit or regulatory examination of a public entity's depository or

custodian, the auditor or examiner shall:

- (1) examine and verify pledged investment securities and records maintained under Section 2257.025 or 2257.046; and
- (2) report any significant or material noncompliance with this chapter to the comptroller.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.062. PENALTIES. (a) The comptroller may revoke a depository's designation as a state depository for one year if, after notice and a hearing, the comptroller makes a written finding that the depository, while acting as either a depository or a custodian:

- (1) did not maintain reasonable compliance with this chapter; and
- (2) failed to remedy a violation of this chapter within a reasonable time after receiving written notice of the violation.

(b) The comptroller may permanently revoke a depository's designation as a state depository if the comptroller makes a written finding that the depository:

- (1) has not maintained reasonable compliance with this chapter; and
- (2) has acted in bad faith by not remedying a violation

of this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.063. MITIGATING CIRCUMSTANCES. (a) The comptroller shall consider the total circumstances relating to the performance of a depository or custodian when the comptroller makes a finding required by Section 2257.062, including the extent to which the noncompliance is minor, isolated, temporary, or nonrecurrent.

(b) The comptroller may not find that a depository or custodian did not maintain reasonable compliance with this chapter if the noncompliance results from the public entity's failure to comply with Section 2257.026.

(c) This section does not relieve a depository or custodian of the obligation to secure a deposit of public funds with eligible security in the amount and manner required by this chapter within a reasonable time after the public entity deposits the deposit of public funds with the depository.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

Sec. 2257.064. REINSTATEMENT. The comptroller may reinstate a depository's designation as a state depository if:

- (1) the comptroller determines that the depository has remedied all violations of this chapter; and
- (2) the depository assures the comptroller to the comptroller's satisfaction that the depository will maintain reasonable compliance with this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 891, Sec. 3.19, eff. Sept. 1, 1997.

#### SUBCHAPTER E. EXEMPT INSTITUTIONS

Sec. 2257.081. DEFINITION. In this subchapter, "exempt institution" means:

- (1) a public retirement system, as defined by Section 802.001; or
- (2) the permanent school fund, as described by Section 43.001, Education Code.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 165, Sec. 6.31, eff. Sept. 1, 1997.

Sec. 2257.082. FUNDS OF EXEMPT INSTITUTION. An exempt

institution is not required to have its funds fully insured or collateralized at all times if:

(1) the funds are held by:

(A) a custodian of the institution's assets under a trust agreement; or

(B) a person in connection with a transaction related to an investment; and

(2) the governing body of the institution, in exercising its fiduciary responsibility, determines that the institution is adequately protected by using a trust agreement, special deposit, surety bond, substantial deposit insurance, or other method an exempt institution commonly uses to protect itself from liability.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2257.083. INVESTMENT; SELECTION OF DEPOSITORY. This chapter does not:

(1) prohibit an exempt institution from prudently investing in a certificate of deposit; or

(2) restrict the selection of a depository by the governing body of an exempt institution in accordance with its fiduciary duty.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

#### SUBCHAPTER F. POOLED COLLATERAL TO SECURE

## DEPOSITS OF CERTAIN PUBLIC FUNDS

Sec. 2257.101. DEFINITION. In this subchapter, "participating institution" means a financial institution that holds one or more deposits of public funds and that participates in the pooled collateral program under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.102. POOLED COLLATERAL PROGRAM. (a) As an alternative to collateralization under Subchapter B, the comptroller by rule shall establish a program for centralized pooled collateralization of deposits of public funds and for monitoring collateral maintained by participating institutions. The rules must provide that deposits of public funds of a county are not eligible for collateralization under the program. The comptroller shall provide for a separate collateral pool for any single participating institution's deposits of public funds.

(b) Under the pooled collateral program, the collateral of a participating institution pledged for a public deposit may not be combined with, cross-collateralized with, aggregated with, or pledged to another participating institution's collateral pools for pledging purposes.

(c) A participating institution may pledge its pooled securities to more than one participating depositor under contract with that participating institution.

(d) The pooled collateral program must provide for:

(1) participation in the program by a participating institution and each affected public entity to be voluntary;

(2) uniform procedures for processing all collateral transactions that are subject to an approved security agreement described by Section 2257.103; and

(3) the pledging of a participating institution's collateral securities using a single custodial account instead of an account for each depositor of public funds.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.103. PARTICIPATION IN POOLED COLLATERAL PROGRAM. A financial institution may participate in the pooled collateral program only if:

(1) the institution has entered into a binding collateral security agreement with a public agency for a deposit of public funds and the agreement permits the institution's participation in the program;

(2) the comptroller has approved the institution's participation in the program; and

(3) the comptroller has approved or provided the collateral security agreement form used.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.104. COLLATERAL REQUIRED; CUSTODIAN TRUSTEE. (a) Each participating institution shall secure its deposits of public funds with eligible securities the total value of which equals at least 102 percent of the amount of the deposits of public funds covered by a security agreement described by Section 2257.103 and deposited with the participating institution, reduced to the extent that the United States or an instrumentality of the United States insures the deposits. For purposes of determining whether collateral is sufficient to secure a deposit of public funds, Section 2257.022(b) does not apply to a deposit of public funds held by the participating institution and collateralized under this subchapter.

(b) A participating institution shall provide for the collateral securities to be held by a custodian trustee, on behalf of the participating institution, in trust for the benefit of the pooled collateral program. A custodian trustee must qualify as a custodian under Section 2257.041.

(c) The comptroller by rule shall regulate a custodian trustee under the pooled collateral program in the manner provided

by Subchapter C to the extent practicable. The rules must ensure that a custodian trustee depository does not own, is not owned by, and is independent of the financial institution or institutions for which it holds the securities in trust, except that the rules must allow the following to be a custodian trustee:

- (1) a federal reserve bank;
- (2) a banker's bank, as defined by Section 34.105, Finance Code; and
- (3) a federal home loan bank.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.105. MONITORING COLLATERAL. (a) Each participating institution shall file the following reports with the comptroller electronically and as prescribed by rules of the comptroller:

- (1) a daily report of the aggregate ledger balance of deposits of public agencies participating in the pooled collateral program that are held by the institution, with each public entity's funds held itemized;
- (2) a weekly summary report of the total market value of securities held by a custodian trustee on behalf of the participating institution;
- (3) a monthly report listing the collateral securities

held by a custodian trustee on behalf of the participating institution, together with the value of the securities; and

(4) as applicable, a participating institution's annual report that includes the participating institution's financial statements.

(b) The comptroller shall provide the participating institution an acknowledgment of each report received.

(c) The comptroller shall provide a daily report of the market value of the securities held in each pool.

(d) The comptroller shall post each report on the comptroller's Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.106. ANNUAL ASSESSMENT. (a) Once each state fiscal year, the comptroller shall impose against each participating institution an assessment in an amount sufficient to pay the costs of administering this subchapter. The amount of an assessment must be based on factors that include the number of public entity accounts a participating institution maintains, the number of transactions a participating institution conducts, and the aggregate average weekly deposit amounts during that state fiscal year of each participating institution's deposits of public funds collateralized under this subchapter. The comptroller by

rule shall establish the formula for determining the amount of the assessments imposed under this subsection.

(b) The comptroller shall provide to each participating institution a notice of the amount of the assessment against the institution.

(c) A participating institution shall remit to the comptroller the amount assessed against it under this section not later than the 45th day after the date the institution receives the notice under Subsection (b).

(d) Money remitted to the comptroller under this section may be appropriated only for the purposes of administering this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.107. PENALTY FOR REPORTING VIOLATION. The comptroller may impose an administrative penalty against a participating institution that does not timely file a report required by Section 2257.105.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.108. NOTICE OF COLLATERAL VIOLATION; ADMINISTRATIVE PENALTY. (a) The comptroller may issue a notice to a

participating institution that the institution appears to be in violation of collateral requirements under Section 2257.104 and rules of the comptroller.

(b) The comptroller may impose an administrative penalty against a participating institution that does not maintain collateral in an amount and in the manner required by Section 2257.104 and rules of the comptroller if the participating institution has not remedied the violation before the third business day after the date a notice is issued under Subsection (a).

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.109. PENALTY FOR FAILURE TO PAY ASSESSMENT. The comptroller may impose an administrative penalty against a participating institution that does not pay an assessment against it in the time provided by Section 2257.106(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.110. PENALTY AMOUNT; PENALTIES NOT EXCLUSIVE. (a) The comptroller by rule shall adopt a formula for determining the amount of a penalty under this subchapter. For each violation and for each day of a continuing violation, a penalty must be at least

\$100 per day and not more than \$1,000 per day. The penalty must be based on factors that include:

(1) the aggregate average weekly deposit amounts during the state fiscal year of the institution's deposits of public funds;

(2) the number of violations by the institution during the state fiscal year;

(3) the number of days of a continuing violation; and

(4) the average asset base of the institution as reported on the institution's year-end report of condition.

(b) The penalties provided by Sections 2257.107-2257.109 are in addition to those provided by Subchapter D or other law.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.111. PENALTY PROCEEDING CONTESTED CASE. A proceeding to impose a penalty under Section 2257.107, 2257.108, or 2257.109 is a contested case under Chapter 2001.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.112. SUIT TO COLLECT PENALTY. The attorney general may sue to collect a penalty imposed under Section 2257.107, 2257.108, or 2257.109.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.113. ENFORCEMENT STAYED PENDING REVIEW. Enforcement of a penalty imposed under Section 2257.107, 2257.108, or 2257.109 may be stayed during the time the order is under judicial review if the participating institution pays the penalty to the clerk of the court or files a supersedeas bond with the court in the amount of the penalty. A participating institution that cannot afford to pay the penalty or file the bond may stay the enforcement by filing an affidavit in the manner required by the Texas Rules of Civil Procedure for a party who cannot afford to file security for costs, subject to the right of the comptroller to contest the affidavit as provided by those rules.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

Sec. 2257.114. USE OF COLLECTED PENALTIES. Money collected as penalties under this subchapter may be appropriated only for the purposes of administering this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 486, Sec. 1, eff. September 1, 2009.

**Special, October 26, 2015**

There being no further business to come before the Court at this time,  
same is now here adjourned on this date, October 26, 2015