

NAVARRO COUNTY COMMISSIONER'S COURT

A REGULAR MEETING OF THE NAVARRO COUNTY COMMISSIONER'S COURT WAS HELD ON MONDAY, 11TH DAY OF FEBRUARY, 2008 AT 10:00 A.M., IN THE NAVARRO COUNTY COURTHOUSE, CORSICANA, TEXAS. PRESIDING JUDGE H.M. DAVENPORT, COMMISSIONER'S PRESENT KIT HERRINGTON, FAITH HOLT, -ABSENT, WILLIAM BALDWIN, AND JAMES OLSEN.

1. 10:05 MOTION TO CONVENE BY BALDWIN SEC BY HERRINGTON  
ALL VOTED AYE
2. PRAYER BY COMMISSIONER OLSEN
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENTS- NO COMMENTS

**CONSENT AGENDA**

- ITEMS 5-8 MOTION TO APPROVE CONSENT AGENDA BY OLSEN SEC  
BY BALDWIN  
ALL VOTED AYE
5. MOTION TO APPROVE THE MINUTES FROM THE PREVIOUS  
MEETING OF JANUARY 28, 2008
  6. MOTION TO APPROVE AND PAY BILLS AS SUBMITTED BY THE  
COUNTY AUDITOR
  7. MOTION TO APPROVE TAX REPORT FROM RUSSELL P. HUDSON  
**TO WIT PG 614-618**
  8. MOTION TO APPROVE TREASURER'S REPORT FROM RUBY COKER  
**TO WIT PG 619**
  9. MOTION TO APPROVE THE MINUTES OF THE JANUARY 3, 2008  
PLANNING AND ZONING MEETING  
**TO WIT PG 620**

**REGULAR AGENDA**

10. MOTION TO APPROVE PRESENTATION BY CARROLL SIGMAN AND  
ACCEPT MEMBERSHIP INTO COMMERCIAL ZONE PROGRAM WITH  
STEWART MOTOR COMPANY BY HERRINGTON SEC BY OLSEN

ALL VOTED AYE

TO WIT PG 621-622

11. STRIKE BUDGET AMENDMENT FOR INDIGENT HEALTH CARE FOR INDIGENT HEALTH CARE SOLUTIONS SOFTWARE

12. MOTION TO APPROVE QUARTERLY INVESTMENT REPORT BY BALDWIN SEC BY HERRINGTON TO WIT PG 623  
ALL VOTED AYE

13. MOTION TO APPROVE LINE ITEM TRANSFER FOR PERSONNEL FOR ROAD & BRIDGE, PRECINCT #1 BY HERRINGTON SEC BY OLSEN  
ALL VOTED AYE TO WIT PG 624

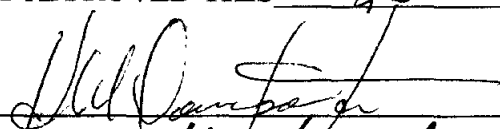
14. MOTION TO APPROVE PROFESSIONAL SERVICES CONTRACT WITH TIM F. GLENDENING & ASSOCIATES FOR FEMA RELATED PROJECTS BY OLSEN SEC BY BALDWIN TO WIT PG 625-637  
ALL VOTED AYE

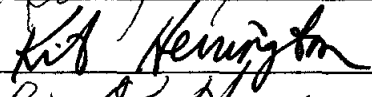
15. MOTION TO APPROVE NAVARRO COUNTY INVESTMENT STRATEGIES BY JUDGE DAVENPORT SEC BY OLSEN TO WIT PG 638-657  
ALL VOTED AYE

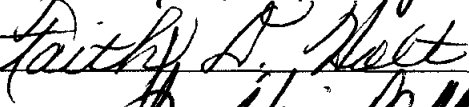
16. MOTION TO APPROVE RESOLUTION DESIGNATING COUNTY INVESTMENT OFFICERS BY OLSEN SEC BY HERRINGTON  
ALL VOTED AYE TO WIT PG 652

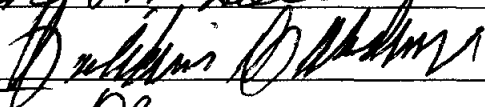
17. MOTION TO ADJOURN BY BALDWIN SEC BY HERRINGTON  
ALL VOTED AYE

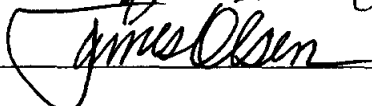
THESE MINUTES ARE HEREBY APPROVED THIS 25 DAY OF FEBRUARY 2008.

JUDGE HM DAVENPORT 

COMR.PCT.1 KIT HERRINGTON 

COMR.PCT.2 FAITH HOLT 

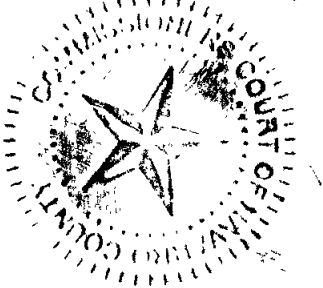
COMR.PCT.3 WILLIAM BALDWIN 

COMR.PCT.4 JAMES OLSEN 

I, SHERRY DOWD, NAVARRO COUNTY CLERK, ATTEST THAT THE FOREGOING IS A TRUE AND ACCURATE ACCOUNTING OF THE COMMISSIONERS COURT'S AUTHORIZED PROCEEDING FOR FEBRUARY 11, 2008

SIGNED 25 DAY OF FEBRUARY 2008

Sherry Dowd  
SHERRY DOWD, COUNTY CLERK



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ON PURPOSE

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I, RUSSELL P HUDSON, NAVARRO COUNTY TAX ASSESSOR/COLLECTOR, DO HEREBY SWEAR UNDER OATH,  
THAT THE ATTACHED REPORT IS A TRUE AND CORRECT REPORT.

TOTAL PAGES INCLUDING COVER SHEET   5

NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING  
JANUARY 2008

615

<b>NAVARRO COUNTY</b>								LEVY
CURRENT	5,716,134.16			5,716,134.16	114,325.77	5,601,808.39		12,873,626.09
DELINQUENT	23,885.96		10,748.51	34,634.47	692.47	33,942.00	6,482.29	%
TOTAL	5,740,020.12	-	10,748.51	5,750,768.63	115,018.24	5,635,750.39	6,482.29	44.52%
<b>NAVARRO COLLEGE</b>								LEVY
CURRENT	1,183,962.93		2,734.92	1,186,697.85	6,603.42	1,180,094.43		2,682,934.17
DELINQUENT	5,550.05	-	2,899.63	8,449.68	752.69	7,696.99	1,586.93	%
TOTAL	1,189,512.98	-	5,634.55	1,195,147.53	7,356.11	1,187,791.42	1,586.93	44.36%
<b>CITY OF RICE</b>								LEVY
CURRENT	25,774.90	-	240.78	26,015.68	189.16	25,826.52		71,266.24
DELINQUENT	432.83		174.82	607.65	45.86	561.79	115.23	%
TOTAL	26,207.73	-	415.60	26,623.33	235.02	26,388.31	115.23	36.22%
<b>CITY OF KERENS</b>								LEVY
CURRENT	42,503.06	16.66	5.43	42,491.83	209.75	42,282.08		217,201.52
DELINQUENT	597.50	-	150.96	748.46	40.72	707.74	129.68	%
TOTAL	43,100.56	16.66	156.39	43,240.29	250.47	42,989.82	129.68	19.53%
<b>CITY OF CORSICANA</b>								LEVY
CURRENT	3,524,239.27	-	13,320.28	3,537,559.55	20,950.87	3,516,608.68		6,872,355.08
DELINQUENT	6,796.25	-	2,708.49	9,504.74	711.10	8,793.64	1,807.19	%
TOTAL	3,531,035.52	-	16,028.77	3,547,064.29	21,661.97	3,525,402.32	1,807.19	51.33%

**NAVARRO COUNTY, TEXAS**  
**AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING**  
**JANUARY 2008**

	TAXES	DISCOUNT	PROPERTY INTEREST	RENTAL	COLLECTION FEE	TAXES DUE	ATTORNEY FEE	CURRENT COLLECTED
<b>CITY OF DAWSON</b>								LEVY
CURRENT	22,163.06			22,163.06	110.89	22,052.17		61,250.78
DELINQUENT	1,345.10		624.54	1,969.64	162.88	1,806.76	366.83	%
TOTAL	23,508.16	-	624.54	24,132.70	273.77	23,858.93	366.83	36.18%
<b>BLOOMING GROVE ISD</b>								LEVY
CURRENT	412,393.70			412,393.70	2,061.79	410,331.91		1,234,197.05
DELINQUENT	4,219.68		1,521.39	5,741.07	401.44	5,339.63	1,254.72	%
TOTAL	416,613.38	-	1,521.39	418,134.77	2,463.23	415,671.54	1,254.72	34.00%
<b>DAWSON ISD</b>								LEVY
CURRENT	305,022.50	-	2.00	305,024.50	1,525.58	303,498.92		1,045,738.84
DELINQUENT	4,607.79	-	1,988.57	6,596.36	520.21	6,076.15	1,286.30	%
TOTAL	309,630.29	-	1,990.57	311,620.86	2,045.79	309,575.07	1,286.30	29.22%
<b>RICE ISD</b>								LEVY
CURRENT	293,842.62		917.23	294,759.85	1,698.59	293,061.26		859,685.95
DELINQUENT	5,199.77		2,762.55	7,962.32	716.65	7,245.67	1,538.68	%
TOTAL	299,042.39	-	3,679.78	302,722.17	2,415.24	300,306.93	1,538.68	34.53%
<b>CITY-BLOOMING GROVE</b>								LEVY
CURRENT	23,419.80			23,419.80	117.14	23,302.66		81,372.57
DELINQUENT	350.90		134.56	485.46	35.40	450.06	87.25	%
TOTAL	23,770.70	-	134.56	23,905.26	152.54	23,752.72	87.25	28.78%

TOTAL TAX REPORT - JAN 2008

Prepared by Gail Smith  
 Navarro County Tax Office

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NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING  
JANUARY 2008

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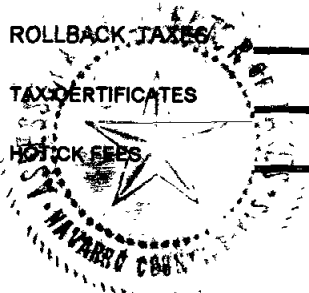
ENTITY	CURRENT	DELINQUENT	TOTAL	PERCENT	PERCENT	PERCENT	PERCENT
<b>CITY OF BARRY</b>							LEVY
CURRENT	5,223.08		5,223.08	26.10	5,196.98		13,262.09
DELINQUENT	43.84	10.52	54.36	2.85	51.51	10.87	%
TOTAL	5,266.92	-	5,277.44	28.95	5,248.49	10.87	39.38%
<b>CITY OF EMHOUSE</b>							LEVY
CURRENT	2,959.15	-	2,959.15	14.77	2,944.38		8,128.22
DELINQUENT			-		-		%
TOTAL	2,959.15	-	2,959.15	14.77	2,944.38	-	36.40%
<b>CITY OF RICHLAND</b>							LEVY
CURRENT	4,902.14	-	4,902.14	24.48	4,877.66		12,652.06
DELINQUENT	61.10	18.37	79.47	4.90	74.57	15.90	%
TOTAL	4,963.24	-	4,981.61	29.38	4,952.23	15.90	38.99%
<b>CITY OF GOODLOW</b>							LEVY
CURRENT	397.70	-	397.70	2.01	395.69		2,704.56
DELINQUENT	7.51	2.16	9.67	0.59	9.08	1.94	%
TOTAL	405.21	-	407.37	2.60	404.77	1.94	14.70%
<b>GRAND TOTAL</b>	<b>11,616,036.35</b>	<b>16.66</b>	<b>40,965.71</b>	<b>11,656,985.40</b>	<b>151,948.08</b>	<b>11,505,037.32</b>	<b>14,683.81</b>

MEMO:

TOTAL COLLECTED	<u>11,671,669.21</u>
ROLLBACK TAXES	<u>                    </u>
TAX CERTIFICATES	<u>1,260.00</u>
HOT TICK FEES	<u>100.00</u>

YR-TO-DATE % CURRENT COLLECTED:	
COUNTY	79.41%
COLLEGE	79.45%
RICE	73.56%
KERENS	71.92%
CORSICANA	84.86%
BARRY	72.75%
EMHOUSE	62.04%
RICHLAND	69.06%
GOODLOW	45.34%
*DAWSON	78.99%
*BG ISD	72.26%
*DAWSON ISD	58.70%
*RICE ISD	70.00%
** BLOOMING GR	76.78%

\*BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THESE ENTITIES SEPT 1, 2005  
\*\*BEGINNING DATE OF COLLECTION BY NAVARRO COUNTY FOR THIS ENTITY JULY 1, 2007





NAVARRO COUNTY, TEXAS  
AD VALOREM TAXES COLLECTED DURING THE MONTH ENDING  
JANUARY 2008

NAVARRO COUNTY, TEXAS						
CURRENT TAXES	COUNTY	ROAD & BRIDGE	FLOOD CONTROL	TOTAL	STATE	TOTAL
CURRENT TAXES						
COUNTY	4,674,081.45			4,674,081.45	93,484.34	4,580,597.11
ROAD & BRIDGE	949,957.66			949,957.66	19,001.62	930,956.04
FLOOD CONTROL	92,095.05			92,095.05	1,839.81	90,255.24
<b>TOTAL</b>	<b>5,716,134.16</b>			<b>5,716,134.16</b>	<b>114,325.77</b>	<b>5,601,808.39</b>
<b>DELINQUENT TAXES</b>						
COUNTY	20,049.69	8,747.65		28,797.34	575.87	28,221.47
STATE						5,392.95
ROAD & BRIDGE	3,514.77	1,881.97		5,396.74	107.95	5,288.79
FLOOD CONTROL	321.50	118.89		440.39	8.65	431.74
<b>TOTAL</b>	<b>23,885.96</b>	<b>10,748.51</b>		<b>34,634.47</b>	<b>692.47</b>	<b>33,942.00</b>
<b>TOTAL ALLOCATION</b>						
COUNTY	4,694,131.14	8,747.65		4,702,878.79	94,060.21	4,608,818.58
STATE						5,392.95
ROAD & BRIDGE	953,472.43	1,881.97		955,354.40	19,109.57	936,244.83
FLOOD CONTROL	92,416.55	118.89		92,535.44	1,848.46	90,686.98
<b>TOTAL</b>	<b>5,740,020.12</b>	<b>10,748.51</b>		<b>5,750,768.63</b>	<b>115,018.24</b>	<b>5,635,750.39</b>

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AFFIDAVIT SUBMITTED BY  
RUBY COKER  
NAVARRO COUNTY TREASURER

STATE OF TEXAS

COUNTY OF NAVARRO

Before me, the undersigned authority, on this day personally appeared the following named persons, and after being duly sworn, deposes and says: Honorable H. M. Davenport, Jr., County Judge, Honorable Kit Herrington, Commissioner Pct. #1, Honorable Faith Holt, Commissioner Pct. #2, Honorable William Baldwin, Commissioner Pct. #3, and Honorable James Olsen, Commissioner Pct. 4.

I, Ruby Coker, the Navarro County Treasurer, on this 11th day of February, 2008 present to the Navarro County Commissioners Court the Monthly Financial Report for the month ending on December 31, 2007 for the court to review and approve. According to the report, Navarro County had cash on hand in the amount of \$1,091,382.11. Also, other assets totaling \$5,153,905.77 are being held by the Treasurer's office. The total interest for all accounts for the month of December, 2007 was \$21,297.36. The total disbursements for the month of December, 2007 were \$2,662,790.01. This report is in compliance with section 114.026 of the Local Government Code, so therefore we hereby execute this affidavit for publication.

With this signed affidavit, We the Commissioners Court, state that the requirements of Subsection (C) have been met with the examination of this report.

Signed and executed this 11th day of February, 2008.

[Signature]  
H. M. Davenport Jr. - County Judge

Absent  
Faith Holt - Commissioner Pct 2

[Signature]  
James Olsen - Commissioner Pct 4

[Signature]  
Kit Herrington - Commissioner Pct 1

[Signature]  
William Baldwin - Commissioner Pct 3

SWORN AND SUBSCRIBED TO BEFORE ME, this 11th day of February, 2008 by H. M. Davenport, Jr., Kit Herrington, Faith Holt, William Baldwin, and James Olsen, in their official capacities as the members of the Navarro County Commissioners Court.

[Signature]  
Sherry Dowd - Navarro County Clerk



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**NAVARRO COUNTY PLANNING AND DEVELOPMENT**

300 W. 3<sup>rd</sup> Ave.

Suite 16

Corsicana, Texas 75110

**Vicki Stoecklein**, Administrator

**Becky Garrett**, 911 Addressing

**Stanley Young**, Environmental

**Robert Gray**, Environmental

903-875-3312 PH.

[vstoecklein@navarrocounty.org](mailto:vstoecklein@navarrocounty.org)

903-875-3314 FAX

**PLANNING AND ZONING COMMISSION MINUTES**

February 4, 2008

5:30 P.M.

The meeting was called to order with twelve members present. The roll was called and the attendance was as follows:

Chairman Jacobson – present  
Scott Watkins – present  
Carroll Sigman – present  
Benny Horn – absent  
Dennis Bancroft – present  
Charles Irvine – present  
Eben Dale Stover – absent

Vice Chairman Moe – present  
Conrad Newton – present  
Wayne McGuire - present  
Tom White – present  
Dolores Baldwin – present  
George Walker – present  
Jeff Smith - present

The first item on the agenda was the approval of the minutes of the January 3, 2007, Planning and Zoning meeting. Motion to approve by Commissioner Newton, second by Vice Chairman Moe, all voted aye.

Item # 3 on the agenda was consideration of special use permit #01-08-367 for O’Ryan Oil and Gas for an oil well with a variance to drill a well subject to statewide rule 36 (hydrogen sulfide area). This well is located on SE 0070. As the ordinance is presently written, a variance cannot be issued for a use that is prohibited. Motion to table by Vice Chairman Moe to allow for further consideration by the board as to whether they wanted to consider an amendment to the ordinance, adding a special exception procedure, which would allow the board to consider each case on its own merit, second by Commissioner Sigman, all voted aye, with the exception of Commissioner Walker, who voted no.

Adjourn.

# STEWART MOTOR COMPANY

## COMMERCIAL ZONE FEATURES AND BENIFITS

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The Commercial Zone Program will provide the following to all members:

- Priority first bay availability in Service Department.
- Parts discounts of cost +15% on all non-franchised (Ford, Dodge, GM, Honda, etc) and 20% discount on all franchised (Toyota) vehicles.
- Service discounts of 15% on all routine service work performed. Heavy maintenance will be sublet as necessary. Warranty work on all makes is excluded.
- Extended hours for all Commercial Zone Members in Service, Parts and Sales for convenience and next-day availability.
- No charge substitute transportation comparable to vehicle placed in shop, if available.
- Special fleet-type pricing on all new vehicles (as availability dictates).
- Special financing packages and lines of credit established for all approved Commercial Zone Members.
- Special discounts on parts and labor rates from Collision Center to Commercial Zone customers. 10% discount on all cash purchases. Job-rates on all insurance company claims.
- Special discounts of 15% on all Vehicle Service Agreements purchased at the time of sale or service.
- All Commercial Zone benefits are extended to employees and family members of enrolled Commercial Zone customers and companies.

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Stewart Motor Company, LTD  
 3400 South I-H 45 • Corsicana, TX 75110  
 903-874-6556 • 1-800-765-1521  
[www.stewarttoyota.com](http://www.stewarttoyota.com)

Service Department Hours Mon - Fri 7:30am - 5:30pm Sat 7:30am - Noon Sun Closed	Sales Department Hours Mon - Fri 8:00am - 6:00pm Sat 8:00am - 5:00pm Sun Closed
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**STEWART MOTOR COMPANY, LTD**

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## **FREQUENTLY ASKED QUESTIONS**

### **1. I do not own a Toyota, do I qualify?**

- a. As long as you or your Small Business are signed up for the Commercial Zone Program, you are eligible. Any make, any model!

### **2. How do I get the Program's discounts?**

- a. When using the Program, announce your membership and show your ID card. Your record should already be in the system. It's that easy!

### **3. Is there a limit to the times I can use the program?**

- a. No limit exists. The more you use the program, the more you save!

### **4. Is there any charge to sign up for the Program?**

- a. No, the Commercial Zone Program is absolutely free of charge.

### **5. Can I use the Commercial Zone Program at other Toyota Dealerships?**

- a. The Commercial Zone Program is an exclusive program designed by Stewart Motor Company, LTD for the benefit of their customers. Other Toyota Dealerships do not have Commercial Zone.

### **6. How do I bring in my vehicle for service?**

- a. Simply come into the Service drive as usual, and you will be eligible to receive your discounts. You should always mention your membership to insure proper billing.

### **7. Who do I speak to when I come into the store?**

- a. Many of our customers have favorite employees at Stewart Motor Company, LTD that they enjoy doing business with. Feel free to use them if you wish. There is a responsible person available to assist you if you have questions or need assistance quickly. Simply ask, or look for the Commercial Zone Dept. We will be pleased to assist you.

### **8. Why is this program available to me?**

- a. Stewart Motor Company, LTD is committed to providing the best Service, Parts and Sales experience anywhere. This program is designed to assist Small Businesses, their employees and families in all their automotive needs. The goal is to save you time and money. Best of all, it's FREE!

### **9. Can I qualify for Commercial Zone if I do not own a Small Business?**

- a. You can qualify if you can furnish any one (1) of the following items:
  - i. Business ID#
  - ii. Non-profit tax ID#
  - iii. Registered DBA copy
  - iv. State, city or county business certificate or license
  - v. Business Incorporation documents
  - vi. State or federal income tax form (schedule D-business expense or schedule F-farm expense)
  - vii. Employee ID from a member company

### **10. How will I be notified of any special programs or discounts available to me after joining Stewart Motor Company, LTD Commercial Zone?**

- a. You will be notified by e-mail, telephone, or postal service of all specials and pertinent information. Your information is personal and confidential and will be treated as such!

# **COMMERCIAL ZONE**

**NAVARRO COUNTY, TEXAS**  
**QUARTERLY INVESTMENT REPORT**  
*For the Quarter Ended December 31, 2007*

623

FUND	BALANCE 09/30/2007	INTEREST EARNED	DEPOSITS	WITHDRAWALS	BALANCE 12/31/2007	NET CHANGE
<b>Investments held with TexPool:</b>						
Operating Funds	3,177,003.12	37,388.80	4,562,858.39	4,415,733.12	3,361,517.19	184,514.07
Designated County Funds	300,651.81	3,541.52	-	7,250.00	296,943.33	(3,708.48)
State Funds	765,648.47	8,690.49	283,950.00	337,675.00	720,613.96	(45,034.51)
Agency Funds	953,203.65	12,309.83	289,300.00	295,850.00	958,963.48	5,759.83
<b>TOTAL</b>	<b>5,196,507.05</b>	<b>61,930.64</b>	<b>5,136,108.39</b>	<b>5,056,508.12</b>	<b>5,338,037.96</b>	<b>141,530.91</b>

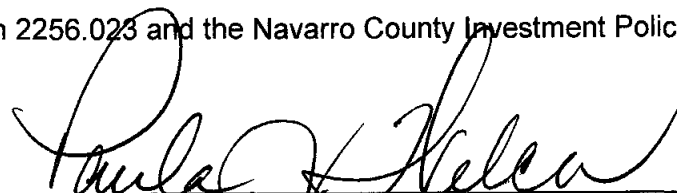
**Quarter to Date Interest Earned:**


Bank Accounts	\$	3,695.65
TexPool Invesments		<u>61,930.64</u>
Total Interest Earned	\$	<u><u>65,626.29</u></u>

TexPool Interest Rate at 12/31/2007: 4.5565%

TexPool Net Asset Value at 12/31/2007: \$ 1.00019

Submitted February 11, 2008 in compliance with *Texas Government Code* Section 2256.023 and the Navarro County Investment Policy.

  
 Paula J. Welch, CPA - County Auditor

  
 Ruby Coker - County Treasurer

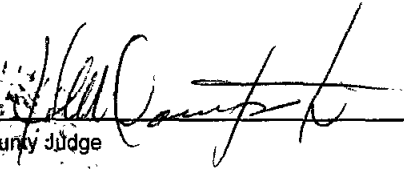
NAVARRO COUNTY, TEXAS  
 LINE ITEM TRANSFER FOR PERSONNEL  
 SUBMITTED FOR APPROVAL FEBRUARY 11, 2008

In accordance with Section 111.011 of the *Texas Local Government Code* the following line item transfers for personnel related to the fiscal year 2008 Operating Budget are submitted for your consideration and approval:

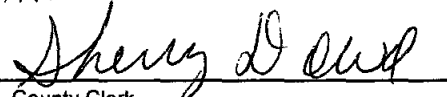
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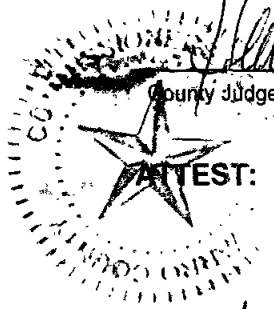
<u>DEPARTMENT</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>REMARKS</u>
<u>General Fund</u>			
211-611-114	Part-Time Help	\$ 9,000	Appropriate funds for Part-Time Help from funds available due to vacant position.
211-611-103	Deputies & Assistants	(9,000)	
Net Transfer		<u>\$ -</u>	

APPROVED this 11th day of February, 2008

  
 County Judge

ATTEST:

  
 County Clerk



625

**PROFESSIONAL SERVICES CONTRACT**

(FEMA related project)



**PROFESSIONAL SERVICES CONTRACT**

STATE OF TEXAS:

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF NAVARRO:

THIS AGREEMENT MADE BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS (HEREINAFTER CALLED CLIENT), AND TIM F. GLENDENING & ASSOCIATES, INC., (HEREINAFTER CALLED CONSULTANT), FOR THE PURPOSE OF RETAINING CONSULTANT TO RENDER SERVICES TO IMPLEMENT AND ADMINISTER CLIENT'S TEXAS COMMUNITY DEVELOPMENT PROGRAM (HEREINAFTER TCDP) - DISASTER RELIEF FUNDS (HEREINAFTER DRF) ADMINISTERED BY THE TEXAS OFFICE OF RURAL COMMUNITY AFFAIRS (HEREINAFTER ORCA)

WITNESS TO:

**SECTION 1.**

The Client and the Consultant agree that the following provisions shall apply to the work to be performed under this Contract.

The Client agrees to employ the Consultant and the Consultant agrees to perform professional grant administrative services in connection with implementing Client's TCDP project as identified in the Performance Statement of Client's original contract with ORCA, and for having rendered such services, the Client agrees to pay the Consultant compensation as stated in the Sections to follow.

**SECTION 2.**

The Consultant shall perform such professional grant administrative services as may be necessary to accomplish the work required to be performed under this Contract, in accordance with this Contract and applicable TCDP requirements.

**SECTION 3.**

Consultant agrees to render Client the professional grant administrative services as provided in "Scope of Services and Payment Schedule" which document is attached hereto and incorporated herein for all purposes as if set out herein verbatim.

**SECTION 4.**

Consultant hereby agrees that in the implementation of this Contract, they will comply with all terms and conditions as may be required by ORCA or HUD. Consultant hereby agrees that in the implementation of this Contract, they will comply with Section 109 of the Housing and Community Development Act of 1974, and Title VI of the Civil Rights Act of 1964.

**SECTION 5.**

For and in consideration of the foregoing, Client agrees to pay Consultant a fee of Sixteen Thousand Five Hundred Dollars (\$16,500.00) in accordance with the "Scope of Services and Payment Schedule" which document is attached hereto and incorporated herein for all purposes as if set out herein verbatim.

**SECTION 6.**

This Contract shall extend and be in full force for a term of twenty-four (24) months or until the Client's TCDP has been fully closed out by ORCA, which ever is later.

**SECTION 7.**

If either party shall fail to keep any of the specific agreements herein, the other party may, by giving the party in default written notice, cancel and terminate this Contract as and from the expiration of thirty (30) days of receipt of said notice. In the event of termination, Client agrees to pay Consultant the fee for all work completed prior to receipt of termination in accordance with the schedule set forth in Section 5, hereof.

**SECTION 8.**

It is understood and agreed that Client, ORCA, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Consultant which are directly pertinent to this Contract, for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees hereby to maintain all records for a period of six months after Client makes final payment and all other pending matters are closed.

**SECTION 9.**

Client shall designate the County Judge to be authorized to act as Consultant's primary contact during the term of this Contract.

**SECTION 10.**

This document embodies the entire Contract of the parties hereto and no amendment, additions, or deletions will be valid except same be in writing and executed by the parties.

**SECTION 11.**

Client covenants that neither it nor any member of its governing body presently has any interest or shall acquire any interest, direct or indirect, which conflicts in any manner or degree with the performance of this Contract. Client further covenants that in the performance of this Contract no person having such interest shall be employed by the Client, or shall be appointed as a member of Client's governing body.

**SECTION 12.**

The Consultant agrees to perform the services in this contract in accordance with the applicable generally accepted standards and shall use that degree of care and skill commensurate with the Consultant's profession to comply with all applicable state, federal and local laws, ordinances, rules and regulations relating to the services to be performed and the Consultant's performance.

**SECTION 13.**

The Client shall be the absolute and unqualified owner of all records or other documents prepared pursuant to this Agreement by the Consultant with the same force and effect as if the Client prepared the same. The Consultant may retain one set of reproducible copies of the documents and these copies shall be for the Consultant's sole use.

**SECTION 14.**

Client and Consultant agree that Consultant shall perform its duties under this Agreement as an independent contractor. Personnel employed by Consultant who performed duties related to this Agreement shall remain under the supervision, management and control of Consultant and shall not in any event be considered employees of Client.

**SECTION 15.**

This Agreement shall be construed according to, and the rights of the parties shall be governed by, the laws of the State of Texas. Venue will be proper in Navarro County, Texas.

SECTION 16.

If any provision of this Contract is or be declared illegal, the remainder and balance of the Contract shall not be affected thereby.

SECTION 17.

This Contract is approved and duly executed by the Client and the Consultant on this the 11th day of February, 2008.


CLIENT:

COUNTY OF NAVARRO

BY   
COUNTY JUDGE

CONSULTANT:

TIM F. GLENDENING & ASSOC., INC.

BY   
TIM F. GLENDENING, AICP



ATTEST:

  
COUNTY CLERK

## **SCOPE OF SERVICES AND PAYMENT SCHEDULE**

The Client shall reimburse Tim F. Glendening & Associates, Inc., for management services provided based upon completion of major project milestones shown on the following scope of services for a maximum of \$16,500.00:

### Procurement of Professional Services

Assist in solicitation of project engineer in accordance with TCDP procurement requirements and maintain all necessary documentation - \$n/c

### Environmental Review

Prepare environmental assessment - \$n/c

Publish and disseminate public environmental notices - \$n/c

Request release of funds and send certification to ORCA - \$n/c

Clear project of TCDP contract environmental special conditions - \$5,000

### Financial Management

Preparation and submittal of accounting system certification letter to ORCA - \$n/c

Complete/submit grant fund receipt method to ORCA - \$n/c

Provide ORCA with grant funds depository account format - \$n/c

Prepare and submit depository/authorized signatory designation form to ORCA - \$n/c

Review invoices, prepare and submit first grant fund drawdown request - \$n/c

### Amendments/Reports

Prepare and submit initial quarterly progress report - \$1,000

Prepare and submit initial recipient disclosure report form - \$1,000

Process any/all project TCDP amendments - \$n/c

Acquisition

Prepare and submit required real property acquisition activities report with ORCA - \$1,000

Project Construction

Submit Personnel Cost Calculation Forms or Davis-Bacon rates to ORCA - \$1,000

Ensure review of plans/specifications by TCEQ/TXDOT - \$n/c

Request/obtain Davis-Bacon wage decision - \$n/c

Ensure bid advertisement is completed in accordance with TCDP requirements - \$n/c

Make 10-day wage confirmation call to ORCA - \$n/c

Verify construction contractor eligibility and submit to ORCA - \$n/c

Conduct pre-construction conference and prepare minutes - \$n/c

Submit notice of start of construction to ORCA - \$2,000

Prepare, submit and maintain monthly employment utilization reports - \$n/c

Fair Housing/Equal Opportunity

Implement and document current and required new activities for fair housing - \$500

Prepare Section 3 and Affirmation Action Plan - \$1,500

Prepare citizen complaint procedures - \$1,000

Prepare Section 504 requirements - \$1,000

Project Closeout

Prepare and submit certificate of construction completion to ORCA - \$200

Prepare and submit final wage compliance report to ORCA - \$300

Prepare and submit project completion report - \$1,000

Total for All Services - \$16,500

**LIST OF CONDITIONS**

1. PERSONNEL. The Consultant represents that he has, or will secure at his own expense, all personnel required in performing the services under this Contract.
2. REPORTS AND INFORMATION. The Consultant shall prepare all progress reports required by ORCA to ensure continued compliance with applicable regulations.
3. FINDINGS CONFIDENTIAL. All of the reports, information, data, etc., prepared or assembled by the Consultant during this contract period are confidential and the Consultant agrees that they shall not be made available to any individual or organization without prior approval of the Client.
4. COPYRIGHT. No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the Consultant.
5. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Contract, the Consultant agrees as follows:
  - A. The Consultant will not discriminate against any employee or applicant for employment because of race, creed, sex, or national origin. The Consultant will take affirmative action to ensure that applicants are employed, that employees are treated, during employment, without regard to their race, creed, sex, color or national origin.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Client setting forth the provisions of this nondiscrimination clause.
  - B. The Consultant will, in all solicitation or advertisements for employees placed by or on behalf of the Consultant, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.

- C. The Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- D. The Consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- E. The Consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the Client and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- F. In the event of the Consultant's noncompliance with the noncompliance clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, , or suspended in whole or in part and the Consultant may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- G. The Consultant will include the provisions of the paragraphs (A) through (G) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Consultant will take such action with respect to any subcontract or purchase order as the Client may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Consultant becomes involved in, or is threatened with, with a subcontractor or vendor as a result of such direction by the Client, the consultant may request the United States to enter into such litigation.



6. CIVIL RIGHTS ACT OF 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied benefits, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
  
7. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.  

(a) No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program of activity funded in whole or part with funds made available under this Title.
  
8. "SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES.
  - A. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.
  
  - B. The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 C.F.R. 135, and all applicable rules and orders of the Department issued there under prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
  
  - C. The Contractor will send to each labor organization or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said

labor organization or workers' representative of his/her commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

D. The Contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135 and will let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of Section 3, the regulations set forth in 24 C.F.R. Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 C.F.R. Part 135.

9. SECTION 503 HANDICAPPED (IF \$25,000 OR OVER) AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS:

A. The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following:

Employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- B. The Contractor agrees to comply with rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
  - C. In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
  - D. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.
  - E. The Contractor will notify the Contractor of the terms of Section 503 of Rehabilitation Act of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.
  - F. The Contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, action for noncompliance.
10. INTEREST OF MEMBERS OF CLIENT. No member of the governing body of the Client and no other officer, employee, or agent of the Client who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the Consultant shall take appropriate steps to assure compliance.

11. INTEREST OF OTHER LOCAL PUBLIC OFFICIALS. No member of the governing body of the Client and no other public official of Client, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, have any personal financial interest, direct or, in this Contract; and the Consultant shall take appropriate steps to assure compliance.
12. INTEREST OF CONSULTANT AND EMPLOYEES. The Consultant covenants that it presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this Contract, no person having any such interest shall be employed.
13. LOCAL PROGRAM LIAISON. The County Judge or his/her authorized representative shall serve as the Consultant's primary contact.

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**I. PREFACE**

It is the policy of Navarro County that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and federal regulations, this Investment Policy and Investment Strategy.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all Navarro County funds. Navarro County's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

Investments shall be made with the primary objectives of:

- Safety and Preservation of Navarro County funds.
- Public trust from prudent investment activity.
- Maintenance of sufficient liquidity to meet operating needs.
- Diversification of investments.
- Optimization of interest earnings within acceptable risk constraints.

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**II. PURPOSE**

The purpose of this investment policy is to comply with Chapter 2256 of the Texas Government Code *Public Funds Investment Act* (PFIA) which requires an entity to adopt a written policy regarding the investment funds under its control. The Investment policy must address the methods, procedures and practices that will be exercised to ensure effective and judicious fiscal management of Navarro County funds.

**A. Formal Adoption**

This Investment Policy is authorized by the Navarro County Commissioners Court in accordance with the Texas Government Code, Section 2256, *Public Funds Investment Act* (PFIA) and the Texas Local Government Code, Chapter 116, *Depositories for County Public Funds*.

**B. Scope**

This Investment Policy applies to all financial assets of all funds of Navarro County at the present time and any funds to be created in the future unless expressly prohibited by law or unless it is in contravention of any depository contract between Navarro County and the Depository Bank.

**C. Review and Amendment**

This Investment Policy shall be reviewed and approved by the Commissioners' Court on an annual basis. Amendments must be approved and adopted by the Commissioners Court and must be in the best interest of the financial well being of the County in accordance with Section 2256.005 (e), of the PFIA and Local Government Code Chapter 116.

**D. Investment Strategy**

In conjunction with the annual policy review, the Commissioners' Court shall review the separate "Written Investment Strategy" for each Navarro County fund. The Investment Strategy must describe the investment objectives for each particular fund according to the following priorities as per Section 2256.005 (d) (1-6) of the PFIA:

1. Safety and preservation of principal;
2. Liquidity;
3. Investment suitability including marketability prior to maturity of each investment;
4. Diversification, and
5. Yield

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**III. INVESTMENT OBJECTIVES**

Funds of the County will be invested in accordance with federal and state laws, this Investment Policy, and written administrative procedures. The County will invest according to investment strategies for each fund as they are adopted by Commissioners' Court resolution in accordance with Government Code, Section 2256.005(b)(2-3), PFIA.

**A. Safety and Preservation of Principal**

The primary objective of all investment activity is the safety and preservation of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided either from securities defaults or erosion of market value.

**B. Liquidity**

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and further by maintaining appropriate portfolio diversification as well as suitability of the investment.

**C. Yield**

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

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**IV. INVESTMENT POLICIES**

**A. Authorized Investments**

Investments described in the following paragraphs are hereby authorized by the PFIA and are eligible investments for Navarro County. County funds governed by this Policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities. Section 2256.009 (a) (1), PFIA and 116 Local Government Code.
2. Direct obligations of the State of Texas, or its agencies and instrumentalities. Section 2256.009 (a) (2), PFIA and 116 Local Government Code.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities. Section 2256.009 (a) (4), PFIA.
4. Certificates of deposit issued by a depository institution that has its main office or a branch office in this state in accordance with Section 2256.010 (a) (1), PFIA:
  - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successors; or, secured by obligations that are described by paragraphs 1 through 3 above, which are intended to include all direct Federal agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities of the nature described in Section 2256.009 (b), PFIA, that have a market value of not less than the principal amount of the certificates or in any other manner and amount provided by law for deposits of the County;
  - b. Governed by a Depository Agreement, as described in Section 2256.010 (b) (4), PFIA, that complies with Federal and State regulation to properly secure a pledged security interest and;
  - c. Solicited for bid orally, in writing, electronically, or any combination of these methods. Section 2256.005 (c) (1-4), PFIA.
5. Eligible investment pools organized and operating in compliance with the PFIA that have been authorized by the Commissioners' Court; and whose investment philosophy and strategy are consistent with this Policy and the County's ongoing investment strategy. Disclosures of compliance with Section 2256.0016, PFIA, must be submitted by the pool. Investment Pools shall invest only in obligations approved by the PFIA. An Investment Pool created to function as a money market mutual fund must mark its portfolio to market daily and stabilize at a net asset value of \$1 (one dollar).

Navarro County expressly allows eligible investment pools, as authorized by the Commissioners' Court, to invest to the full extent permissible within the PFIA, Section 2256.016, PFIA.



**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**B. Prohibited Investments**

1. The County expressly prohibits any direct investment in asset or mortgage backed securities.
2. The County expressly prohibits any direct investment in interest-only and principal-only mortgage backed securities and collateralized mortgage obligations with stated final maturities in excess of ten years or with coupon rates that float inversely to market index movements. Refer to Section 2256.009 (b) (1-4), PFIA.

**C. Protection of Principal**

Navarro County shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined by this Policy; by collateralization as required by law; and through portfolio diversification by maturity and type. Refer to Section 2256.005 (b) (2-3), PFIA.

The purchase of individual securities shall be executed "delivery versus payment" (DVP). By so doing, Navarro County funds are not released until the County has received the securities purchased. Refer to Section 2256.005 (b) (4) (E), PFIA.

**1. Diversification by Investment Type**

Diversification by Investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types. It is the policy of Navarro County to diversify its portfolio to eliminate the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of investments. Investments of the County shall always be selected with proven stability of income and reasonable liquidity. Refer to Section 2256.005 (d) (5) of the PFIA.

Diversification by investment type will be established by the following maximum percentages of investment type to the total County investment portfolio at the time of each investment transaction. The portfolio includes funds maintained in the Navarro County's Depository Bank.

a. U.S. Treasury Bills/Notes/Bonds	100%
b. U.S. Agencies & Instrumentalities	100%
c. States, Counties, Cities & Other	50%
d. Certificates of Deposit	50%
e. Eligible Investment Pools	80%

**2. Diversification by Investment Maturity**

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows:

**a. Operating Funds**

The weighted average days to maturity for the operating fund portfolio shall be less than 270 days and the maximum allowable maturity shall be no longer than two years and consistent with cash flow projections.

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

**b. Debt Service Funds**

The investment maturity of debt service funds shall generally be limited to the anticipated cash flow requirement. The maximum maturity for all debt service funds shall not be more than one year.

**c. Special Revenue Funds**

Special revenue funds are legally restricted to expenditures for a particular purpose. They may be invested in compliance with this policy and all applicable state and federal laws and subject to cash flow requirements with maximum maturity not to exceed two years.

**3. Ensuring Liquidity**

Liquidity shall be achieved by anticipating cash flow requirements of the County consistent with the objectives of this policy, through scheduled maturity of investments.

A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

**4. Depository Agreements**

Consistent with the requirements of State law, the County shall require all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as County Depositories will be required to sign a Depository Agreement with the County. The Depository Agreement shall define the County's rights to the collateral in case of default, bankruptcy or closing and shall establish a perfected security interest in compliance with Federal and State regulations including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and the County contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the Board Resolution delivered to the County;
- the Agreement must be part of the Depository's "official record" continuously since its execution.

**5. Collateral**

**a. Allowable Collateral**

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act and shall meet the general constraints of this Policy.

**b. Collateral Levels**

To compensate for increase or decrease in County deposits and fluctuation of market value of pledged collateral, the minimum market value of collateral shall be 110% of County deposits that are not insured by the Federal Deposit Insurance Corporation (FDIC). Deposits include: time deposits, interest bearing checking accounts, certificates of deposits, accrued interest and any other instrument deposited into County funds. The depository institution will monitor pledged collateral daily to ensure sufficient collateral to be in compliance with this policy. The

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

depository institution will pledge additional collateral necessary to meet the 110% requirement immediately and without delay. Additional pledged collateral shall bear the county's name as the beneficiary.

**c. Monitoring Collateral Adequacy**

The County shall require monthly reports with market values of pledged securities from all financial institutions with which the County has deposits. The Investment Officer will monitor adequacy of collateralization levels to verify market values and total collateral positions.

**d. Security Substitution**

Collateralized deposits often require substitution of securities. Any financial institution requesting substitution must contact the Investment Officer. After reasonable notice and approved resolution by the Commissioners' Court and in accordance with the Local Government Code 116.82(a) and the PFIA, the Depository is entitled to substitute one type of security for another or replace a particular security or securities with others of the same type if the substituting or replacing security meets the requirements of the law, this investment policy and the Depository Contract. The Investment Officer must provide written notification by Court Order of the decision to the bank or the safekeeping agent holding the security prior to any security release.

**6. Safekeeping**

**Safekeeping of Deposit Collateral**

A third-party institution shall hold all collateral which secure bank deposits acceptable to and under contract with Navarro County or by the Federal Reserve Bank.

**D. Investment Advisors and Investment Providers**

Investment Advisors shall adhere to the spirit, philosophy and specific terms of this policy and shall invest with the same "Standard of Care" and shall avoid recommending or suggesting transactions outside that "Standard of Care."

The Investment Officer of the County may select Investment Advisors and Providers. The Investment Officer will establish criteria to evaluate Investment Advisors and Investment Providers, including:

- 1. Adherence to the County's policies and strategies;
- 2. Investment performance and transaction pricing within accepted risk constraints;
- 3. Responsiveness to the County's request for services, information and open communication;
- 4. Understanding the inherent fiduciary responsibility of investing public funds;
- 5. Similarity in philosophy and strategy with the County's objectives.

Selected Investment Advisors and Investment Providers shall provide timely transaction confirmations and monthly activity reports.

**NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY**

A written copy of the County's Investment Policy shall be presented to any person(s) offering to engage in an investment transaction with an investing entity.

For purposes of this subsection, a business organization includes investment pools. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investment provider to determine that they are in compliance with the investment policy. A qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall complete Navarro County's standard Certification by Business Organization, or, 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 County's Investment Policy 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 Navarro County Investment Policy.

Navarro County will require the business organization to complete a signed affidavit accompanied by the following:

1. Proof of institutional investment experience.
2. Proof of membership in good standing in the National Association of Securities Dealers, Inc.
3. Valid license from the State of Texas.

At least on an annual basis, the Investment Officer shall review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with Navarro County in accordance with Section 2256.025, PFIA.

**E. Investment Committee**

The Investment Committee of the County shall adhere to the spirit, philosophy and specific term of this Policy and shall assist the Investment Officer in investments using the same "Standard of Care" and shall avoid recommending or suggesting transactions outside that "Standard of Care."

The Investment Officer will perform selection of the Investment Committee and the committee will then be approved by resolution through Commissioners Court. The Investment Officer will establish criteria to evaluate this Investment Committee including:

1. Adherence to the County's policies and strategies;
2. Responsiveness to the County's request for services, information and open communication;
3. Understanding of the inherent fiduciary responsibility of investing public funds;
4. Similarity in philosophy and strategy with the County's objectives.

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INVESTMENT POLICY**

Selected Investment Committee members may provide assistance to the Investment Officer including:

1. Investment of county funds;
2. Adoption of the county's broker/dealer list;
3. Implementation of investment strategies;
4. Economic trends and investment options;
5. Approval of sources of investment training;
6. Changes to the county investment policy and investment strategy policy;
7. Quarterly reports of investment transactions of the county.

A written copy of the Investment Policy shall be presented to each committee member. Committee members shall sign an acknowledgement of their receipt of the investment policy.

At least on an annual basis, the Investment Officer shall review, revise and adopt a list of Committee Members.

**F. Responsibility and Controls**

**1. Authority to Invest**

The Commissioner's Court designates the County Auditor and the County Treasurer as Navarro County's Investment Officers comprising the Investment Committee. An Investment Officer is authorized to execute investment transactions on behalf of Navarro County. An Investment Officer shall review the investment portfolio's status and performance, determine and implement appropriate portfolio adjustments, monitor compliance with the Investment Policy and Investment Strategy Statement and perform other duties as necessary to manage the County's funds. An Investment Officer is authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage County funds in accordance with this Policy. The Investment Officers shall disclose with the Commissioners Court of Navarro County any personal business relationship with any business organization offering to sell investments to the County. The disclosure must include whether he/she is related within the second degree by affinity or consanguinity to the individual seeking to sell the investment. The Navarro County Commissioners' Court retains ultimate responsibility as fiduciaries of the assets of the County as stated in Section 2256.005 (f), PFIA.

**2. Training**

Investment training is required for the Investment Officers in accordance with section 2256.007 of the PFIA. Training must be received from an independent source and approved by the Commissioners' Court.

**3. Prudent Investment Management**

The designated Investment Officers shall perform his/her duty in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer has responsibility; rather than the prudence of a single investment shall be considered. An Investment Officer acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability as stated in Section 2256.006, PFIA.

**NAVARRO COUNTY, TEXAS  
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**4. Standard of Care**

The standard of care used by the County shall be the prudent person rule and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The PFIA states:

"Investments must be made with the judgment 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".

**5. Standard of Ethics**

The designated Investment Officer shall act as custodian of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. The Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, the Investment Officer shall file with the Texas Ethics Commission and the Navarro County Commissioners' Court a statement disclosing any personal business relationship or any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code with an entity seeking to sell investment to the County. Section 2256.005 (l), PFIA.

**6. Establishment of Internal Controls**

The County Auditor will maintain a system of internal controls over the investment activities of the County. Navarro County, in conjunction with the annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the County's Investment Policy and Investment Strategy Statement. Section 2256.005 (m), PFIA.

**7. Reporting**

Investment performance shall be monitored and evaluated by the Investment Officer. The Investment Officer shall provide a signed quarterly comprehensive report to the Commissioners' Court. This investment report shall comply with Section 2256.023 of the PFIA as follows:

- a. Describe in detail the investment position of the County,
- b. State the reporting period beginning book and market value, additions or changes to the book and market value during the period and ending book and market value for the period of each pooled fund group;
- c. State the reporting period beginning book and market value and reporting period ending book and market value for each investment security by asset type and fund type;
- d. State the maturity date of each investment security;
- e. State the fund for which each investment security was purchased, and;
- f. State the compliance of the investment portfolio with the County's Investment Policy and strategy and the PFIA.

NAVARRO COUNTY, TEXAS  
INVESTMENT POLICY

V. INVESTMENT STRATEGY STATEMENT

A. PREFACE

It is the policy of Navarro County that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, adopted Investment Policy and adopted Investment Strategy.

In accordance with the PFIA, County investment strategies shall address the following priorities in order of importance:

- Understanding the suitability of the investment to the financial requirements of the County
- Preservation and safety of principal;
- Liquidity;
- Marketability of the investment prior to maturity
- Diversification of the investment portfolio; and
- Yield

Effective investment strategy development coordinates the primary objectives of the County's Investment Policy and cash management procedures to enhance interest earnings and reduce investment risk. Aggressive cash management will increase the available "investment period" and subsequently interest earnings. Maturity selections shall be based on cash flow and market conditions to take advantage of various interest rate cycles. The County's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the fund's unique requirements. County funds shall be analyzed and invested according to the following major fund types:

- Operating Funds
- Debt Service Funds
- Special Revenue Funds

B. INVESTMENT STRAGIES BY FUND TYPE

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type follow:

1. **Operating Funds (including General Fund & Road & Bridge Funds)**

- a. **Suitability** – Any investment eligible in the Investment Policy is suitable for the Operating Funds.
- b. **Safety of Principal** – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the weighted average days to maturity for the Operating Fund Portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

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- c. **Marketability** – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of particular security type of less than a quarter of percentage point shall define an efficient secondary market.
- d. **Liquidity** – Operating Funds require the greatest short-term liquidity of any of the fund types. Short-term investment pools provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
- e. **Diversification** – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the County. Diversifying the appropriate maturity structure will reduce market cycle risk.
- f. **Yield** – Attaining a competitive market yield for comparable security types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

2. **Debt Service Funds**

- a. **Suitability** – Any investment eligible in the Investment Policy is suitable for the Debt Service Funds.
- b. **Safety of Principal** – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Debt Service Fund’s portfolio to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.
- c. **Marketability** – Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash requirement is not probable.
- d. **Liquidity** – Debt service funds have predictable payment schedules. Therefore investment maturities shall not exceed the anticipated cash flow requirements. Investment pools shall provide a competitive yield alternative for short term fixed maturity investments.
- e. **Diversification** – Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally if investment rates are trending down, the County is best served by locking in most investments. If interest rates are flat or trending up, then concurrent market conditions will determine the attractiveness of extending maturity or investing in shorter alternatives. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.
- f. **Yield** – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio shall be the minimum yield objective.



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3. **Special Revenue Funds**

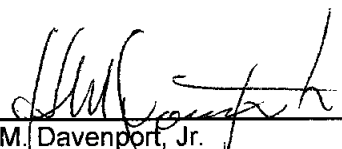
- a. **Suitability** – Any investment eligible in the Investment Policy is suitable for the Special Revenue Funds.
- b. **Safety of Principal** – All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will however occur, by managing the weighted average days to maturity for the Special Revenue Fund Portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
- c. **Marketability** – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of particular security type of less than a quarter of percentage point shall define an efficient secondary market.
- d. **Liquidity** – Special Revenue funds have a specific purpose. Therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools shall provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments.
- e. **Diversification** – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the County. Diversifying the appropriate maturity structure will reduce market cycle risk.
- f. **Yield** – Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury bill portfolio shall be the minimum yield objective.

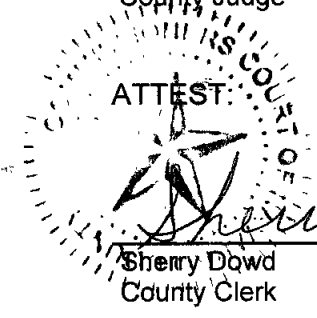
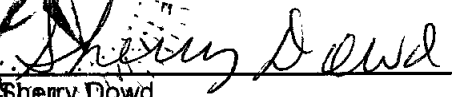
NAVARRO COUNTY, TEXAS  
RESOLUTION  
ADOPTION OF NAVARRO COUNTY'S  
INVESTMENT POLICY AND INVESTMENT STRATEGIES

**WHEREAS**, In accordance with Government Code, section 2256.005(e), Public Funds Investment Act, Navarro County is required to review its Investment Policy and Investment Strategies not less than annually, and adopt a written 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,

**NOW, THEREFORE, BE IT RESOLVED**, that the Commissioners Court of Navarro County, after review and amendment of its Investment Policy and Investment Strategies does hereby adopt and approve said policy and strategies with changes recorded therein.

**PASSED AND APPROVED THIS 11<sup>th</sup> DAY OF FEBRUARY 2008.**

  
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H. M. Davenport, Jr.  
County Judge

ATTEST:  
  
  
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Sherry Dowd  
County Clerk

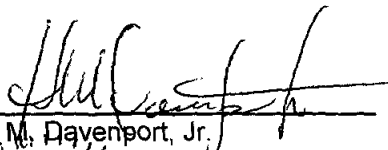
NAVARRO COUNTY, TEXAS  
RESOLUTION  
DESIGNATION OF COUNTY INVESTMENT OFFICERS

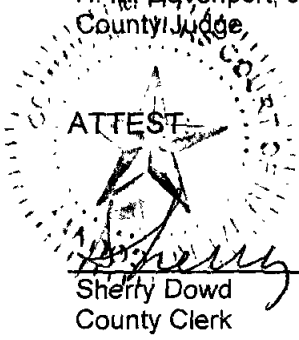
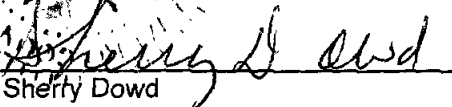
**WHEREAS**, In accordance with Government Code, section 2256.005(f), Public Funds Investment Act, Navarro County is required to designate one or more officers or employees of the local government as the Investment Officer to be responsible for the investment of its funds consistent with the Navarro County Investment Policy, and;

**WHEREAS**, 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. The Navarro County Commissioners Court retains ultimate responsibility as fiduciaries of the assets of the entity.

**NOW, THEREFORE, BE IT RESOLVED**, that the Navarro County Commissioners Court does hereby designate the County Treasurer, Ruby Coker, and the County Auditor, Paula J. Welch, as the authorized Investment Officers for Navarro County to be responsible for the investment of its funds consistent with the Navarro County Investment Policy and the Public Funds Investment Act.

**PASSED AND APPROVED THIS 11<sup>th</sup> DAY OF FEBRUARY 2008.**

  
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H. M. Davenport, Jr.  
County Judge

  
ATTEST  
  
\_\_\_\_\_  
Sherry Dowd  
County Clerk