

STATE OF TEXAS
COUNTY OF Kendall County

IN THE COMMISSIONERS COURT
OF KENDALL COUNTY, TEXAS

October 28, 2025

KENDALL COUNTY COMMISSIONERS COURT
NUMBER 0-2025 1028-1

BE IT REMEMBERED AT A MEETING OF Commissioners County of Kendall County, Texas held on the 28th day of October 2025, on a motion by Richard Chapman Commissioner of Precinct No. 3, and seconded by Chad Carpenter, Commissioner of Precinct No. 4, the following order was adopted.

WHEREAS, the Commissioners Court of Kendall County, Texas desires the continance of prudent investment policies; and

WHEREAS, the Commissioners Court has reviewed the attached investment policy dated for October 28, 2025 for FY 2026, that will be to the financial benefit of Kendall County, Texas;

NOW, THEREFORE, it is hereby ADJUDGED AND DECREED that the County Treasurer and the County Auditor, investment officers for Kendall County, implements that attached investment policy dated October 28, 2025 for FY 2026.

ORDERED THIS 28th Day of October 2025.



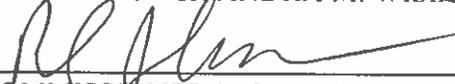
SHANE STOLARCZYK, COUNTY JUDGE



COMMISSIONER JENNIFER McCALL, PCT. #1



COMMISSIONER ANDRA M. WISIAN, PCT. #2



COMMISSIONER RICHARD CHAPMAN, PCT. #3



COMMISSIONER CHAD CARPENTER, PCT. #4

ATTESTED BY:



DENISE MAXWELL, COUNTY CLERK

INVESTMENT POLICY
FOR
KENDALL COUNTY
TEXAS
October 28, 2025
FOR
FISCAL YEAR 2026

TABLE OF CONTENTS

	PAGE #
I. INVESTMENT SCOPE	
GENERAL STATEMENT	4
LEGAL AUTHORITY TO INVEST	4
FUNDS INCLUDED	4
FUNDS INVESTED WITH AUTHORIZED INVESTMENT POOLS	4
II. INVESTMENT STRATEGY	
KENDALL COUNTY FUNDS TO BE INVESTED	5
III. INVESTMENT OBJECTIVES	
GENERAL STATEMENT	6
ACTIVE PORTFOLIO MANAGEMENT	6
SAFETY	6
LIQUIDITY	6
DIVERSIFICATION	6
YIELD	6
RISK	6
MATURITY	7
SALE OF SECURITIES	7
QUALITY AND CAPABILITY OF INVESTMENT MANAGEMENT	7
IV. INVESTMENT RESPONSIBILITY AND CONTROL	
COUNTY'S INVESTMENT OFFICER	8
STANDARD OF CARE	8
LIABILITY OF TREASURER	8
AUDIT CONTROL	8
SUBJECT TO AUDIT	8
V. INVESTMENT REPORTING	
QUARTERLY REPORT	9
ANNUAL REPORT	9
NOTIFICATION OF INVESTMENT CHANGES	9
VI. INVESTMENT INSTITUTIONS	PAGE #
INVESTMENT INSTITUTIONS DEFINED	10

QUALIFICATIONS FOR APPROVAL OF BROKER/ DEALER	10
LIST OF AUTHORIZED BROKER/DEALERS	10
VII. INVESTMENT INSTRUMENTS	
AUTHORIZED INVESTMENT INSTRUMENTS	11
AUTHORIZED INVESTMENT WITH DEPOSITORY BANK	11
PROHIBITED INVESTMENTS	12
VIII. INVESTMENT PROCEDURES	
DELIVERY VS. PAYMENT	13
ELECTRONIC FUND TRANSFER	13
CONFIRMATION OF TRADE	13
MONITORING MARKET VALUE	13
IX. INVESTMENT COLLATERAL AND SAFEKEEPING	
COLLATERAL OR INSURANCE	14
SAFEKEEPING OF PURCHASED SECURITIES	14
X. INVESTMENT POLICY REVIEW AND AMENDMENT	
REVIEW PROCEDURES	15
CHANGES TO THE INVESTMENT POLICY	15

I. INVESTMENT SCOPE

GENERAL STATEMENT

This policy serves to satisfy the statutory requirements of the Public Funds Investment Act, Government Code, Chapter 2256 to define and adopt a formal investment policy. An order of the Commissioners Court of Kendall County to adopt this investment policy replaces any previous investment policy.

LEGAL AUTHORITY TO INVEST

This investment policy applies to the investment activities of Kendall County Texas. This policy serves to satisfy the statutory requirements of Local Government Code 116.112 and Government Code Chapter 2256 to define and adopt a formal investment policy. This policy will be reviewed and adopted by the Commissioners Court at least annually in accordance with Section 2256.005 (e), Gov't. Code.

FUNDS INCLUDED

This investment policy applies to all financial assets of Kendall County Texas, at the present time and any funds to be created in the future and any other funds held in custody by the County Treasurer, unless expressly prohibited by law or unless it is in violation of any depository contract between Kendall County and any depository bank.

FUNDS INVESTED WITH AUTHORIZED INVESTMENT POOLS

This investment policy does not supersede the investment policy of an authorized investment pool [under Sec. 2256.016] that Kendall County, by order and/or resolution, has authorized investment with, such as, Texpool, Texpool Prime, MBIA Texas Class, LOGIC, and TexStar.

II. INVESTMENT STRATEGY

KENDALL COUNTY FUNDS TO BE INVESTED

Kendall County cash funds to be invested, but not limited to, are as follows:

In accordance with the Public Funds Investment Act Section 2256.005 (d), Gov't Code a written investment strategy shall be developed for each of the county's funds and the funds under the county's control. The following strategy will apply for the county's funds and the funds under the county's control:

(1). Each fund under the control of the County Treasurer will be transferred from the fund's depository bank account to an individual investment account in a PUBLIC FUNDS INVESTMENT POOL, currently, but not limited to Local Government Investment Cooperative (LOGIC).

(2). While at LOGIC, each fund is invested until money is needed to cover the fund's expenses. Money is available the same day if processed early in day, otherwise, the next business day.

(3). If money is not needed by a fund to cover expenses based on liquidity needs determined by the County Treasurer, the money may be invested in other investment tools as directed by this policy.

(4). The stated final maturity of any one investment outside a PUBLIC FUNDS INVESTMENT POOL, made by the County Treasurer shall be two years or less.(Sec.2256.005 (b) (4) (B), Gov't Code).

(5). Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Sec. 2256.021, Gov't Code.

III. INVESTMENT OBJECTIVES

GENERAL STATEMENT

Funds of Kendall County will be invested in accordance with federal and state laws, this investment policy and written administrative procedures. The County's investment portfolio shall be managed in a manner to attain the maximum rate of return allowed through prudent and legal investing of County funds while preserving and protecting capital in the overall portfolio.

ACTIVE PORTFOLIO MANAGEMENT

The County intends to pursue an active versus a passive portfolio management philosophy. Securities may be sold or exchanged before they mature if market conditions present an opportunity for the County to benefit from the trade. Under this investment policy, all investments will be made with the intent of pursuing, at a time of purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading.

SAFETY

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

LIQUIDITY

The County's investment portfolio must be structured in a manner which will provide liquidity necessary to pay obligations as they become due.

DIVERSIFICATION

It will be the policy of Kendall 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 specific class of investments. Investments of the County shall always be selected that provide for stability of income and reasonable liquidity.

YIELD

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

RISKS

- (1). There is a market risk if a change in the financial market reduces the value of a security.
- (2). There is a liquidity risk when an investment cannot be sold before its maturity.
- (3). There is a credit risk if the security purchased defaults.

MATURITY

Portfolio maturities will be structured to achieve the highest return of interest consistent with liquidity requirements of the County's projected cash flow needs.

SALE OF SECURITIES BEFORE MATURITY

The Kendall County Treasurer may sell securities before maturity if:

- (1). Market conditions present an opportunity for the County to benefit from sale;
- (2). Funds are urgently needed to meet unforeseen expenses, even if there is a loss of interest and/or principal due to the sale; and
- (3). A security has lost its minimum required rating as an authorized investment. [Sec. 2256.021]

QUALITY AND CAPABILITY OF INVESTMENT MANAGEMENT

It is the Gov't Code policy to provide training required by the Public Funds Investment Act, Sec. 2256.008 and 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 legality of decisions. The County Treasurer, unless instructed otherwise, will receive training under Sec. 2256.008 (a) (1) & (2) and (C), Gov't Code, through courses offered by the County Treasurer's Association of Texas, Texas Association of Counties, the association's Certified Investment Officer, (CIO) program, the National Association of County Treasurer's and Finance Officers. (NACTFO)

IV. INVESTMENT RESPONSIBILITY AND CONTROL

COUNTY'S INVESTMENT OFFICER

In accordance with Section 116.112(a), Local Government Code and Chapter 2256, Sec.2256.005 Gov't Code, the County Treasurer, under the direction of the Kendall County Commissioners Court, may invest County funds that are not immediately required to pay obligations of the County. The County Treasurer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this investment policy.

STANDARD OF CARE

In accordance with Sec. 2256.006 Gov't Code, 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.

LIABILITY OF TREASURER

In accordance with Section 113.005, Local Government Code, the County Treasurer is not responsible for any loss of the county funds through the failure or negligence of 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.

AUDIT CONTROL

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

SUBJECT TO AUDIT

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

V. INVESTMENT REPORTING

QUARTERLY REPORT

The County Treasurer will report, in writing, quarterly to the Commissioners Court and to the County Auditor on the status of investments. The report shall include, at least, a brief summary of investment transactions for the quarter ended and a schedule of all current investment securities.

ANNUAL REPORT

The County Treasurer will conform to Chapter 2256 Gov't Code and prepare a written yearly report concerning the County's investment transactions for the preceding year and describing in detail the investment position of the County as of the date of the report.

NOTIFICATION OF INVESTMENT CHANGES

It shall be the duty of the County Treasurer to notify the Commissioners Court of any significant changes in current investment methods and procedures prior to the implementation of such methods and procedures.

VI. INVESTMENT INSTITUTIONS

INVESTMENT INSTITUTIONS DEFINED

The County Treasurer shall invest County funds with any or all of the following institutions or groups consistent with federal and state law and the current Depository Bank contract:

- (1). Depository Bank;
- (2). Other state or national banks domiciled in Texas that are insured by FDIC;
- (3). Savings and loan associations domiciled in Texas that are insured by FSLIC (or its successor);
- (4). State or federal credit unions domiciled in Texas that are insured by National Credit Union Share Insurance Fund or its successor;
- (5). Public funds investment pool; or
- (6). Governmental securities brokers and dealers.

QUALIFICATIONS FOR APPROVAL OF BROKER/DEALERS:

In accordance with Sec 2256.005 (k) Gov't Code, a written copy of this investment policy shall be presented to any person seeking to sell Kendall County an authorized investment. The registered principal of the business organization seeking to sell an authorized investment shall execute a written instrument substantially to the effect that the registered principal has:

- (1). Received and thoroughly reviewed the investment policy of Kendall County; and
- (2). Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between Kendall County and the organization.

The County Treasurer must comply with Sections 2256.005 (k) & (1) Gov't Code before obtaining any authorized investment.

LIST OF AUTHORIZED BROKER/DEALERS:

- 1) Security State Bank
- 2) Ameriprise Financial

VII. INVESTMENT INSTRUMENTS

AUTHORIZED INVESTMENT INSTRUMENTS

The County Treasurer shall use any or all of the following authorized investment instruments consistent with governing law:

- (1). Obligations of the United States or its agencies and instrumentalities;
- (2). Direct obligations of the State of Texas or its agencies;
- (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;
- (5). Certificates of deposit or share certificates issued by a depository institution that has its main office or a branch office in this state and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor. In addition to the authority to invest in certificates of deposit, funds may also be invested through a broker that has its main office or a branch office in the state and is selected from a list adopted by the investing entity or a broker or 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 as required by Section 2256.025, Gov't Code.
- (6). A no-load money market mutual fund is authorized if the fund is registered and regulated by the Security Exchange Commission, has a dollar-weighted average stated maturity of 90 days or fewer and includes in its investment objective the maintenance of a stable net asset value of \$1 for each share. In addition, a mutual fund must have an average weighted maturity of less than two years, is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. Kendall County is not authorized to invest in the aggregate more than 80% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in money market mutual funds described above either separately or collectively; or any other provisions covered in Sec 2256.014.

AUTHORIZED INVESTMENT WITH DEPOSITORY BANK

The County Treasurer may invest County funds with the Depository Bank as authorized by the Depository Contract.

PROHIBITED INVESTMENT

The County Treasurer has no authority to use any of the following investment instruments which are strictly prohibited by Sec. 2256.009 (b), Gov't Code:

- (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 coupon payments on the outstanding principal balance of 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 of which determined by an index that adjusts opposite to the changes in a market index.

VIII. INVESTMENT PROCEDURES

DELIVERY VS. PAYMENT

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

ELECTRONIC FUND TRANSFER

The County Treasurer may use electronic means to transfer or invest all funds collected or controlled by Kendall County. (Sec. 2256.051, Gov’t Code)

CONFIRMATION OF TRADE

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

MONITORING MARKET VALUE

Kendall County will use one or more of the following ways to monitor the market price of investments acquired with public funds when applicable:

- (1). The Wall Street Journal , or other financial data sources that provides the market value of investment;
- (2). Primary broker dealers;
- (3). Pricing services through the Depository Bank contract; and
- (4). Any other pricing services that complies with the Public Funds Investment Act.

IX. INVESTMENT COLLATERAL AND SAFEKEEPING

COLLATERAL OR INSURANCE

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

- (1). FDIC insurance coverage;
- (2). Obligations of the United States or its agencies and instrumentalities;
- (3). Other obligations under Sec. 2256.009 (a) Gov't Code; but
- (4). None of the obligations stated in Sec. 2256.009 (b) Gov't Code shall be used as collateral.

SAFEKEEPING OR PURCHASED SECURITIES:

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

X. INVESTMENT POLICY REVIEW AND AMENDMENT

REVIEW PROCEDURES

The Commissioners Court shall review the County investment policy and investment strategies on an annual basis, preferably, during the same time as the annual investment and interest report are prepared and submitted by the County Treasurer. (Sec. 2256.005 (e), Gov't Code)

CHANGES TO THE INVESTMENT POLICY

It shall be the duty of the County Treasurer to notify the Commissioners Court of any significant changes in current investment methods and procedures prior to their implementation.