

INVESTMENT POLICY AND INVESTMENT STRATEGIES

RECORDED CHANGES

VII. AUTHORIZED INVESTMENTS

In accordance with the authorizing federal and state laws, Hidalgo County's depository banking services contract, and appropriate approved collateral provisions, Hidalgo County may utilize the following methods for the investment of Hidalgo County funds, as allowed in Chapter 2256 of the Government Code:

6. Certificates of deposit or share certificates issued by a state or national bank, doing business in the State of Texas and insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union Share Insurance Fund or its successor; or secured by obligations described in Section 2256.009(a), Government Code, including mortgage-backed securities directly issued by federal agency or instrumentality, that have a market value of not less than the principal amount of the certificate but excluding those mortgage-backed securities of the nature described by Section 2256.009(b) Government Code; or secured in any other manner and amount provided by law for deposits of the investing entity with a 5 year maximum maturity. In addition, an investment in certificate of deposit or share certificate made in accordance with the following conditions is an authorized investment: (1) the funds are invested by an investing entity through a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the investing entity as required by Section 2256.025, Government Code; or a depository institution that has its main office or a branch office in the State of Texas and that is selected by the investing entity; (2) the broker or the depository institution selected by the investing entity arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity; (3) the full amount of the principal and accrued interest of each of the certificate of deposit is insured by the United States or an instrumentality of the United States; and (4) the investing entity appoints the depository institution selected by the investing entity, an entity described in Section 2257.041(d), Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

XVI. FINANCIAL REVIEW COMMITTEE

There shall be a Hidalgo County Investment Review Committee, which shall consist of the County Treasurer as Chairman, County Judge and Budget Officer, and two additional individuals from financial/banking organizations. As required, the Hidalgo County Financial Advisor (if any) may serve as an Ex-Officio member of the Committee.

The Committee shall be charged with reviewing the general financial management of Hidalgo County funds and debt and asset management programs and making recommendations on such items to the Commissioners' Court. The Hidalgo County Investment Review Committee shall also deal with and coordinate the efforts of the Hidalgo County Financial Advisor (if any) and Hidalgo County Bond Counsel, and other related individuals/organizations, to develop and/or enhance Hidalgo County financial procedures, implement Hidalgo County bond sales, or establish recommended policy for the Commissioners Court concerning the working relationship and duration of such relationship with such groups, as well as any other financially-related matters that may be referred to the Committee from time to time by Commissioners Court.

In view of constant and enhanced financial and banking techniques which may prove beneficial to the Objectives of the Hidalgo County Investment Policy as herein set forth, the Hidalgo County Investment Review Committee will monitor such changes to determine required adjustments in the Hidalgo County Investment Policy.