

CHIPPEWA COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO ACCEPT INVESTMENT POLICY

#15-16

WHEREAS, Act No. 20 of the Michigan Public Acts of 1943, (MCL 129.91) as amended authorizes County Treasurer's to invest county surplus funds in certain specified investments; and

WHEREAS, the Board of Commissioners wishes to authorize the County Treasurer to invest surplus funds of the County in those investments permitted by MCL 129.91; and

WHEREAS, the Board of Commissioners has, in accordance with MCL 129.95, adopted an Investment Policy, which gives the County Treasurer the authority to invest surplus funds; and

WHEREAS, Act No. 40 of the Michigan Public Acts of 1932 (MCL 129.12) as amended requires the Board of Commissioners to provide by resolution for the designation and deposit of public money coming into the possession of the County Treasurer, in one or more financial institutions in the proportion and manner as provided by the resolution,

NOW THEREFORE BE IT RESOLVED that the Chippewa County Board of Commissioners authorize the Chippewa County Treasurer to invest surplus funds of the County in accordance with applicable statutes as modified or restricted by the County's Investment Policy; and

BE IT FURTHER RESOLVED that the Chippewa County Treasurer is authorized to deposit all public money coming into his or her possession in any financial institution doing business and having a place of business in the State of Michigan, all of which financial institutions are hereby designated as authorized financial institutions of public monies in accordance with MCL 129.12

Adopted this 13th day of July 2015



Scott Shackleton, Chairperson
Chippewa County Board of Commissioners

CHIPPEWA COUNTY INVESTMENT POLICY

Investments

PURPOSE: It is the policy of Chippewa County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the county and comply with all state statutes governing the investment of public funds.

SCOPE: This investment policy applies to all financial assets of the county. These assets are accounted for in the various funds of the county and include the general fund, special revenue funds, debt service funds, and capital project funds, enterprise funds, internal service fund, trust and agency fund, and any new fund established by the county, not including deferred compensation funds.

OBJECTIVES: The primary objectives, in priority order, of the county's investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification: The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

DELEGATION OF AUTHORITY TO MAKE INVESTMENTS: Authority to manage the investment program is derived from the following: The Chippewa County Board of Commissioners' most current resolution designating depositories and MCL 48.40 requiring the County Treasurer to be the custodian of the county's funds. Management responsibility for the investment program is hereby delegated to the Chippewa County Treasurer who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, competitive bidding, cash purchase or delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chippewa County Treasurer. The County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Chippewa County Treasurer is limited to investments authorized by ACT 20 of 1943, as amended and may invest in the following:

- a. Bonds, Securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a financial institution that is eligible to be a depository of funds belonging to the State under a law or rule of the State of the United States.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase
- d. Repurchase agreements consisting of instruments listed in (a)
- e. Banker's acceptance of United States Banks.
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than on standard rating service.
- g. Mutual funds registered under the investment company act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- h. Obligation described in (a) through (g) if purchased through an interlocal agreement under the urban cooperation's act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- i. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118.
- j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

SAFEKEEPING AND CUSTODY: All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Chippewa County Treasurer may be on a cash basis or a delivery versus payment basis as determined by the County Treasurer. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts as determined by the Treasurer.

PRUDENCE: Investment shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

REPORTING: The County Treasurer shall prepare monthly investment reports which provide a clear picture of the status and types of investments of the current investment portfolio. These reports shall be prepared in such a way that will allow the County to ascertain whether investment activities during the reporting period have conformed to the investment policy.

REVIEW: The County Administrator and County Treasurer shall review this policy at least every two years and make any recommendations for changes to the County Board of Commissioners.