

KALKASKA COUNTY BOARD OF COMMISSIONERS
RESOLUTION 2016-34
RESOLUTION TO ADOPT AN INVESTMENT POLICY FOR THE
COUNTY OF KALKASKA

WHEREAS, pursuant to Michigan Compiled Laws 129.91 et seq, being 1943 Public Act 20, as amended, the County's governing body, being County Board of Commissioners, is to authorize the County Treasurer, as the County's investment officer, to invest the funds of the County in certain approved financial instruments, provided the investments are consistent with State law; and

WHEREAS, the County Treasurer has recommended an Investment Policy consistent with these State laws as reflected in the attached Appendix 1, *Kalkaska County Investment Policy* and Appendix 2, *Acknowledgment Of Receipt Of Investment Policy*; and

WHEREAS, the recommended policy has been reviewed by the County Clerk/Administrator and County Attorney; and

WHEREAS, the Board of Commissioners desires to adopt this recommended policy.

THEREFORE BE IT RESOLVED, that the Kalkaska County Board of Commissioners adopts the County of Kalkaska Investment Policy, as attached to this Resolution as Appendix 1, *Kalkaska County Investment Policy* and Appendix 2, *Acknowledgment of Receipt of Investment Policy*.

BE IT FURTHER RESOLVED, that this County of Kalkaska Investment Policy replaces and supersedes prior investment policy resolutions and policies of the County of Kalkaska effective from and after adoption of this Resolution by the Kalkaska County Board of Commissioners.

Motion by Fisher. Supported by Hart. Roll call vote:

Yeas: Fisher, Hart, Buchanan, Cox, Crambell, Stein, McKinnon

Nays: None

Absent: None

Abstain: None

Motion carried: 7 yeas. 0 nays.

RESOLUTION DECLARED ADOPTED


Stuart McKinnon, Chairperson
Kalkaska County Board of Commissioners

I, the undersigned, County Clerk of Kalkaska County, Kalkaska, Michigan, do hereby certify the foregoing is a true and correct copy of certain proceedings taken by the Kalkaska County Board of Commissioners of said municipality at a regular meeting held on
September 14, 2016

relative to adoption of the resolution therein set forth; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

STATE OF MICHIGAN)
County of Kalkaska)

September 14, 2016


Deborah Hill, County Clerk

APPENDIX 1

INVESTMENT POLICY FOR THE COUNTY OF KALKASKA

To Comply with Michigan Compiled Laws 129.91 et seq, being 1943 Public Act 20, as amended.

1.0 PURPOSE:

It is the policy of Kalkaska County to invest public funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security, meeting the daily cash flow requirements of the County and conforming to all state statutes governing the investment of public funds.

2.0 SCOPE:

This investment policy applies to all transactions involving the financial assets and related activity of the County except for its employee pension funds and its employee deferred compensation funds, which are organized and administered separately. 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 (unless bond ordinances and resolutions are more restrictive), Enterprise Funds, Internal Service Funds, Special Assessment Funds, Trust and Agency Funds and any new fund established by the County, unless specifically exempted by the governing body.

3.0 OBJECTIVE:

Funds of the County will be invested in accordance with MCL 129.91 et seq, being Michigan Public Act 20 of the Public Acts of 1943, as amended. The primary objectives, in priority order, of the County Treasurer's investment activities shall be:

- 3.1 SAFETY: Safety of principal is the foremost objective in the investment of county funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio.
- 3.2 DIVERSIFICATION: - The investments will be diversified by specific maturity, dates, individual financial institution(s) or a specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 3.3 LIQUIDITY: The investment portfolio shall remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.
- 3.4 RETURN ON ASSETS: The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow characteristics of the portfolio.

4.0 DELEGATION OF AUTHORITY:

Authority to manage the investment program is derived from 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 Kalkaska County Treasurer who shall establish procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except under the terms of this policy and the procedures established by the Kalkaska County Treasurer. The Kalkaska County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5.0 AUTHORIZED SUITABLE INVESTMENTS:

The County Treasurer is limited to investments authorized by MCL 139.91 et seq, Act 20 of 1943, as amended, and may invest in the following:

- 5.1 Bonds, securities, and other obligations of the United States or in agencies of instrumentality of the United States.
- 5.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the State under a law or rule of this State or the United States.
- 5.3 Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and matures not more than 270 days after the date of purchase.
- 5.4 Repurchase agreements consisting of instruments listed in 5.1, above. Repurchase agreements shall be negotiated with dealers or financial institutions with which the County has negotiated a Master Repurchase Agreement. Repurchase Agreements must be signed with the bank or dealer and must contain provisions comparable to those outlined in the Public Security Association's model Master Repurchase Agreement.
- 5.5 Bankers' Acceptances of United States Banks.
- 5.6 Obligations of this state or any of its political subdivisions that at the time of purchase are rated investment grade by not less than 1 standard rating service.
- 5.7 Mutual funds registered under the Investment Company Act of 1940, Title 1 of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 - (i) The purchase of securities on a when-issued or delayed delivery basis.
 - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

- (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes. Obligations described in subdivisions 5.1 through 5.7 if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- 5.8 Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
- 5.9 The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.
- 5.10 The Board of Commissioners, by resolution, may also authorize enter into written agreements with other public corporations to pool or coordinate the funds to be invested under this section with the funds of other public corporations. Agreements allowed under this subsection shall include all of the requirements and adhere to the provisions of MCL 129.94(5), as amended.
- 5.11 In addition to the certificates of deposit investments authorized under subsection 5.1, the County Board of Commissioners, by resolution, may authorize the County Treasurer to invest the funds of the County in certificates of deposit in accordance with all of the following conditions:
 - (i) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
 - (ii) The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the County.
 - (iii) The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
 - (iv) The financial institution acts as custodian for the County with respect to each certificate of deposit.
 - (v) At the same time that the funds of the County are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the County through the financial institution.
- 5.12 Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investment under this section 5.0, subsections 5.1 through 5.10 above.

6.0 SAFEKEEPING AND CUSTODY

All Security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Kankaskas County Treasurer may be on a cash basis or a delivery vs 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.

7.0 PRUDENCE:

Investments 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.

8.0 REPORTING:

Within 120 days of the end of the fiscal year, the County Treasurer shall provide an annual report to the Board of Commissioners which provides a clear picture of the status and types of investments of the current investment portfolio. This report shall be prepared in a manner, which will allow the Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the Investment Policy.

9.0 EFFECTIVE DATE:

This policy shall become effective on 9-14, 2016.

APPENDIX 2

**ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY
AND AGREEMENT TO COMPLY**

I hereby certify that I have received the Investment Policy of Kalkaska County, have personally read the Investment Policy, and agree to comply with the terms of the Investment Policy regarding the investment of the County funds. Any investment not conforming with the County's Investment Policy will be disclosed promptly.

Kalkaska County

Institution

605 N Birch Street Kalkaska, Mi 49646

Address

Stuart McKinnon, Chair of Board of Commissioners

Authorized Official & Title



Signature

9-14-2016

Date

Please send the original Appendix 2 to:

Kalkaska County Treasurer
Attn: Valerie Thornburg
605 N. Birch St.
Kalkaska, MI 49646

I: Investments/Investment Policy.doc