

At a regular meeting of the Board of Commissioners of the County of Tuscola, Michigan, held on the 26th day of March, 2015, at 7:30 a. m., Eastern Standard Time, in the Tuscola County Commissioner's Room in Caro, Michigan, there were:

Present: Commissioner Thomas Bardwell, Commissioner Christine Trisch, Commissioner Craig Kirkpatrick, Commissioner Matthew Bierlein

Absent: Commissioner Roger Allen

The following resolution was offered by Bierlein and supported by Trisch.

RESOLUTION AUTHORIZING INVESTMENT OF COUNTY FUNDS AND APPROVING COUNTY INVESTMENT POLICY

WHEREAS, pursuant to the provisions of Act 20 of the Public Acts of Michigan of 1943, as amended, may authorize the County Treasurer to invest County funds in certain investments; and

WHEREAS, this Board wished to authorize such investments as permitted by Act 20; and

WHEREAS, Section 5 of Act 20 requires this Board of Commissioners in conjunction with the County Treasurer to adopt an investment policy which complies with the provisions of Act 20; and

WHEREAS, THE County Treasurer has submitted a proposed Investment Policy which complies with provisions of Act 20.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF TUSCOLA as follows:

1. The County Treasurer is authorized to invest funds of the County of Tuscola in investments authorized by Act 20.
2. The Investment Policy attached hereto as Appendix 1 is approved and shall take effect on March 26, 2015.
3. Before executing an order to purchase or trade the funds of the County of Tuscola, a financial intermediary, broker or dealer shall be provided with a copy of the County's Investment Policy and agree to comply with the terms of the Investment Policy regarding the buying or selling of securities by executing the form attached as Appendix 2.

TUSCOLA COUNTY INVESTMENT POLICY

To Comply With Act 20 PA 1943, as amended

1. PURPOSE:

It is the policy of the County of Tuscola 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.

2. SCOPE:

This investment policy applies to all transactions involving the financial assets and related activity of the County. These assets are accounted for in 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. OBJECTIVES:

Funds of the County will be invested in accordance with Michigan Public Act 20 of the Public Acts of 1943, as amended. The primary objectives, in priority, of the County's Investment activities shall be:

3.1 SAFETY: Safety of principal is the foremost objective of the investment program.

Investment shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

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

3.3 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.

4. 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 Tuscola 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 the investment transaction except under the terms of this policy and the procedures established by the Tuscola County Treasurer. The Tuscola County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5. AUTHORIZED INSTRUMENTS:

The Tuscola 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 obligation of the United States or agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository 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.
- (c) Commercial paper rated at the time of purchase at the highest classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in subdivision (a) Section 1, of MCL 129.91
- (e) Bankers' acceptances of United States banks
- (f) 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.
- (g) Obligations described in subdivisions (a) through (g), if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (h) Investment pools organized under the surplus funds investment pool act, 1982 PA 367. MCL 129.111 to 129.118
- (i) Investment pools organized under the local government invest pool act, 1985 PA 121, MCL 129.141 to 129.150.

6. SAFEKEEPING AND CUSTODY:

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Tuscola 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. PRUDENCE:

Investments shall be made with judgment and care, under circumstances than 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. REPORTS:

Annually, the Treasurer shall prepare a written report to the governing body concerning the investments of the funds