

**RESOLUTION NO. 2009-18**

**A RESOLUTION OF THE CITY COMMISSION OF WINTER SPRINGS, FLORIDA, ADOPTING A REVISED INVESTMENT POLICY; PROVIDING FOR REPEAL OF PRIOR INCONSISTENT RESOLUTIONS AND WRITTEN INVESTMENT POLICIES, SEVERABILITY, AND AN EFFECTIVE DATE.**

**WHEREAS**, the City is granted the authority, under Section 2(b), Article VIII, of the State Constitution, to exercise any power for municipal purposes, except when expressly prohibited by law; and

**WHEREAS**, the City is authorized to adopt a written investment policy pursuant to section 218.415, Florida Statutes; and

**WHEREAS**, the City Commission has retained a new investment adviser pursuant to Resolution 2008-51 and the adviser has recommended that the City Commission adopt the revised Investment Policy attached to this Resolution; and

**WHEREAS**, upon adoption of this Resolution, the City Commission also desires to repeal the previously adopted resolutions which established a temporary investment policy of the City; and

**WHEREAS**, the City Commission of Winter Springs also finds that this Resolution is in the best interests of the public health, safety, and welfare of the citizens of Winter Springs.

**NOW THEREFORE, THE CITY COMMISSION OF THE CITY OF WINTER SPRINGS HEREBY RESOLVES, AS FOLLOWS:**

**Section 1. Recitals.** The foregoing recitals are hereby fully incorporated herein by this reference as legislative findings and the intent and purpose of the City Commission of the City of Winter Springs.

**Section 2. Amended Investment Policy.** The City Commission hereby adopts the amended Investment Policy which is attached hereto as Exhibit "A" and fully incorporated herein by this reference.

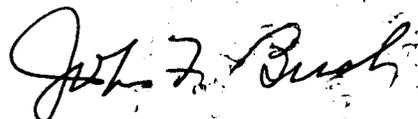
**Section 3. Severability.** If any section, subsection, sentence, clause, phrase, word, or portion of this Resolution is for any reason held invalid or unconstitutional by a court of competent jurisdiction, whether for substantive or procedural reasons, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this

Resolution.

**Section 4. Repeal of Prior Inconsistent Resolutions and Investment Policies.** All prior resolutions or parts of resolutions or prior written investment policies in conflict herewith are hereby repealed to the extent of the conflict, including, but not limited to Resolutions 2008-51, 2008-52, 2008-56 and 2009-14.

**Section 5. Effective Date.** This Resolution shall become effective immediately upon adoption by the City Commission.

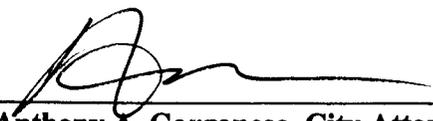
**ADOPTED** by the City Commission of the City of Winter Springs, Florida, in a regular meeting assembled on the 23rd day of February 2009.

  
\_\_\_\_\_  
**JOHN F. BUSH, Mayor**

**ATTEST:**

  
\_\_\_\_\_  
**Andrea Lorenzo-Luaces, City Clerk**

**Approved as to legal form and sufficiency for  
The City of Winter Springs only:**

  
\_\_\_\_\_  
**Anthony A. Garganese, City Attorney**

Investment Policy  
City of Winter Springs,  
Florida



Resolution No. 2009-18  
Adopted by the City Commission  
February 23, 2009

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## City of Winter Springs Investment Policy

### I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of the funds of the City of Winter Springs, (hereinafter "City"). These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

### II. SCOPE

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the City and shall be identified as "general operating funds" of the City with the exception of the City's Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with this Investment Policy and funds held by state agencies (e.g., Department of Revenue), are not subject to the provisions of this policy.

### III. INVESTMENT OBJECTIVES

#### Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

From time to time, securities may be traded for other similar securities to improve yield, maturity or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve optimal investment return, provided any of the following occurs with respect to the replacement security:

- A. The yield has been increased, or
- B. The maturity has been reduced or lengthened, or
- C. The quality of the investment has been improved.

Maintenance of Liquidity

The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

**IV. DELEGATION OF AUTHORITY**

In accordance with the City's Charter, the responsibility for providing oversight and direction in regard to the management of the investment program resides with the City's Manager. The City Manager may, with timely notice (prior to implementation) to the City Commission designate in writing a designee to have management responsibility for all City funds in the investment program and investment transactions. The City Manager shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. The City may employ an Investment Manager to assist in managing some of the City's portfolios. Such Investment Manager must be registered under the Investment Advisors Act of 1940.

**V. STANDARDS OF PRUDENCE**

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the City Commission in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

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 from the investment.

While the standard of prudence to be used by investment officials who are officers or employees is the Prudent Person standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

**VI. ETHICS AND CONFLICTS OF INTEREST**

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the Investment Committee and or investment process shall disclose to the Investment Oversight Committee any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program.

**VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES**

The Finance Director shall establish a system of internal controls and operational procedures that are in writing and made a part of the City's operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. The written procedures should include reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and record keeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery vs. payment" procedures. No person may engage in an investment transaction except as authorized under the terms of this policy. These procedures are intended to reduce to a relatively low risk that material losses may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Independent auditors as a normal part of the annual financial audit to the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

**VIII. CONTINUING EDUCATION**

The Finance Director, management designee and/or appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

**IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS**

Authorized City staff and Investment Advisors shall only purchase securities from financial institutions, which are Qualified Institutions by the City or institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York. Authorized City staff and Investment Advisors shall only enter into repurchase agreements with financial institutions that are Qualified Institutions and Primary Securities Dealers as designated by the Federal Reserve Bank of New York. The Finance Director, management designee and/or the Investment Advisors shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes and only firms meeting the following requirements will be eligible to serve as Qualified Institutions:

- 1) Regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- 2) Capital of no less than \$10,000,000;
- 3) Registered as a dealer under the Securities Exchange Act of 1934;
- 4) Member of the National Association of Dealers (NASD);
- 5) Registered to sell securities in Florida; and

- 6) The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.
- 7) Public Depositories qualified by the Treasurer of the State of Florida, in accordance with Chapter 280, Florida Statutes.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions shall be provided with current copies of the City's Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the City transacts business.

#### **X. MATURITY AND LIQUIDITY REQUIREMENTS**

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months.

Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years.

#### **XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

After the Finance Director, management designee or the Investment Advisor has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) Qualified Institutions and/or Primary Dealers must be contacted and asked to provide bids/offers on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- A. Telerate Information System
- B. Bloomberg Information Systems
- C. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing
- D. Daily market pricing provided by the City's custodian or their correspondent institutions

The Finance Director or the Investment Advisor shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Finance Director or the Investment Advisor, competitive bidding would inhibit the selection process.

Examples of when this method may be used.

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process

- B. When no active market exists for the issue being traded due to the age or depth of the issue
- C. When a security is unique to a single dealer, for example, a private placement
- D. When the transaction involves new issues or issues in the "when issued" market

Overnight sweep investments or repurchase agreements will not be bid, but may be placed with the City's depository bank relating to the demand account for which the sweep investments or repurchase agreement was purchased.

## **XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION**

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and as the City's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Finance Director or management designee may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the City's custodian.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. The Finance Director or management designee shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

The allocation limits and security types do not apply to the investment of debt proceeds. These investments shall be governed by the debt covenant included in the debt instrument.

### **A. United States Government Securities**

#### **1. Purchase Authorization**

The Finance Director or management designee may invest in direct negotiable obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to the following:

- Cash Management Bills
- Treasury Securities – State and Local Government Series ("SLGS")
- Treasury Bills
- Treasury Notes
- Treasury Bonds
- Treasury Strips

#### **2. Portfolio Composition**

A maximum of 100% of available funds may be invested in the United States Government Securities. This does not include Money Market Mutual Funds that invest in U.S. Treasury securities, as defined in Section I.

#### **3. Maturity Limitations**

The maximum length to maturity of any direct investment in the United States Government Securities is five (5) years from the date of purchase.

**B. United States Government Agencies**

**1. Purchase Authorization**

The Finance Director or management designee may invest in bonds, debentures, notes or callable issued and guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government. Such securities will include, but not be limited to the following:

Government National Mortgage Association (GNMA)

- GNMA guaranteed mortgage-backed bonds
- GNMA guaranteed pass-through obligations

United States Export – Import Bank

- Direct obligations or fully guaranteed certificates of beneficial ownership

Farmer Home Administration

- Certificates of beneficial ownership

Federal Financing Bank

- Discount notes, notes and bonds

Federal Housing Administration Debentures

General Services Administration

United States Maritime Administration Guaranteed

- Title XI Financing

New Communities Debentures

- United States Government guaranteed debentures

United States Public Housing Notes and Bonds

- United States Government guaranteed public housing notes and bonds

United States Department of Housing and Urban Development

- Project notes and local authority bonds

**2. Portfolio Composition**

A maximum of 75% of available funds may be invested in United States Government agencies.

**3. Limits on Individual Issuers**

A maximum of 50% of available funds may be invested in individual United States Government agencies.

**4. Maturity Limitations**

The maximum length to maturity for an investment in any United States Government agency security is five (5) years from the date of purchase.

**C. Federal Instrumentalities (United States Government sponsored agencies)**

**1. Purchase Authorization**

The Finance Director or management designee may invest in bonds, debentures or notes which may be subject to call, issued or guaranteed as to principal and interest by United States Government sponsored agencies (Federal Instrumentalities) which are non-full faith and credit agencies limited to the following:

Federal Farm Credit Bank (FFCB)  
Federal Home Loan Bank or its district banks (FHLB)  
Federal National Mortgage Association (FNMA)  
Federal Home Loan Mortgage Corporation (Freddie-Macs)  
Student Loan Marketing Association (Sallie-Mae)

**2. Portfolio Composition**

A maximum of 80% of available funds may be invested in Federal Instrumentalities.

**3. Limits on Individual Issuers**

A maximum of 25% of available funds may be invested in any one issuer.

**4. Maturity Limitations**

The maximum length to maturity for an investment in any Federal Instrumentality security is five (5) years from the date of purchase.

**D. Interest Bearing Time Deposit or Saving Accounts**

**1. Purchase Authorization**

The Finance Director or management designee may invest in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and in national banks organized under the laws of the United States and doing business and situated in the State of Florida. Additionally, the bank shall not be listed with any recognized credit watch information service.

CDAR's are permitted by Section 218.415 (23), Florida Statute, provided they are within the conditions specified in Section 218.415 (23), Florida Statute.

**2. Portfolio Composition**

A maximum of 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit.

**3. Limits on Individual Issuers**

A maximum of 15% of available funds may be deposited with any one issuer.

**4. The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.**

**E. Repurchase Agreements**

**1. Purchase Authorization**

- a. The Finance Director or management designee may invest in repurchase agreements composed of only those investments based on the requirements set forth by the City's Master Repurchase Agreement. All firms are required to sign the Master Repurchase Agreement prior to the execution of a repurchase agreement transaction.
- b. A third party custodian with whom the City has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Finance Director and retained.
- c. Securities authorized for collateral are negotiable direct obligations of the United States Government, Government Agencies, and Federal Instrumentalities with maturities under five (5) years and must have a market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from the 102 percent requirement are permissible only upon the approval of the Finance Director or management designee.

**2. Portfolio Composition**

A maximum of 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.

**3. Limits on Individual Issuers**

A maximum of 25% of available funds may be invested with any one institution.

**4. Limits on Maturities**

The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

**F. Commercial Paper**

**1. Purchase Authorization**

The Finance Director or management designee may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Additionally, the company shall not be listed with any recognized credit watch information service.

**2. Portfolio Composition**

A maximum of 30% of available funds may be directly invested in prime commercial paper.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for prime commercial paper shall be 180 days from the date of purchase.

G. Bankers' acceptances

1. Purchase Authorization

The Finance Director or management designee may invest in Bankers' acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" Standard & Poor's. Additionally, the bank shall not be listed with any recognized credit watch information service.

2. Portfolio Composition

A maximum of 30% of available funds may be directly invested in Bankers' acceptances

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for Bankers' acceptances shall be 180 days from the date of purchase.

H. State and/or Local Government Taxable and/or Tax-Exempt Debt

1. Purchase Authorization

The Finance Director or management designee may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.

3. Maturity Limitations

A maximum length to maturity for an investment in any state or local government debt security is three (3) years from the date of purchase.

**I. Registered Investment Companies (Money Market Mutual Funds)**

**1. Investment Authorization**

The Finance Director or management designee may invest in shares in open-end and no-load fixed-income securities money market mutual funds provided such funds are registered under the Federal Investment Company Act of 1940 and invest in securities permitted by this policy.

**2. Portfolio Composition**

A maximum of 100% of available funds may be invested in money market mutual funds excluding one (1) business day overnight sweep agreements.

**3. Limits of Individual Issuers**

A maximum of 25% of available funds may be invested with any one money market mutual fund.

**4. Rating Requirements**

The money market mutual funds shall be rated "AAAm" by Standard & Poor's or the equivalent by another national rating agency.

**5. Due Diligence Requirements**

A thorough investigation of any money market mutual market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance Director or management designee that will contain a list of due diligence considerations that deal with the major aspects of any investment pool/fund. A current prospectus must be obtained.

**J. Intergovernmental Investment Pool**

**1. Investment Authorization**

The Finance Director or management designee may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

**2. Portfolio Composition**

A maximum of 25% of available funds may be invested in intergovernmental investment pools.

**3. Rating Requirements**

The Local Government Investment Pool shall be rated "AAAm" by Standard & Poor's or the equivalent by another national rating agency.

4. Due Diligence Requirements

A thorough investigation of any Local Government Investment Pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Finance Director or management designee that will contain a list of due diligence considerations that deal with the major aspects of any investment pool/fund. A current prospectus must be obtained.

K. Corporate Obligations

1. Investment Authorization

Corporate obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and are guaranteed by the full faith and credit of the United States Government.

2. Portfolio Composition

A maximum of 50% of available funds may be invested in FDIC's Temporary Liquidity Guarantee Program.

3. Limit of Individual Issuers

A maximum of 25% of available funds may be invested with any one issuer.

4. Rating Requirements

The maximum length to maturity will be 3.4 years or as long as the program is fully guaranteed by the FDIC.

**XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS**

Investment in any derivative products or the use of reverse repurchase agreements is specifically prohibited by this investment policy. A "derivative" is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.

**XIV. PERFORMANCE MEASUREMENTS**

In order to assist in the evaluation of the portfolios' performance, the City will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the City to measure its returns against other investors in the same markets.

- A. Investment performance of funds designated as short-term funds and other funds that must maintain a high degree of liquidity will be compared to the return on the six-month U.S. Treasury Bill. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months.

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- B. Investment performance of funds designated as core funds and other non-operating funds that have a longer-term investment horizon will be compared to an index comprised of U. S. Treasury or Government securities. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolios' total rate of return. Investments of bond reserves, construction funds, and other non-operating funds ("core funds") shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years.

**XV. REPORTING**

The Finance Director, management designee and/or Investment Advisor shall provide the City Manager with a "Quarterly Investment Report" that summarizes but is not limited to the following:

- A. Recent market conditions, economic developments and anticipated investment conditions.
- B. The investment strategies employed in the most recent quarter.
- C. A description of all securities held in investment portfolios at month-end.
- D. The total rate of return for the quarter and year-to-date versus appropriate benchmarks.
- E. Any areas of policy concern warranting possible revisions to current or planned investment strategies. The market values presented in these reports will be consistent with accounting guidelines in GASB Statement 31.

On an annual basis, the City Manager designee shall submit to the City Commission a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value, the yield on each investment.

The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB Statement 31. Investment reports shall be available to the public.

**XVI. THIRD-PARTY CUSTODIAL AGREEMENTS**

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchase by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the City Manager and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

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The custodian shall provide the Finance Director or management designee with safekeeping statements that provide detail information on the securities held by the custodian. On a monthly basis, the custodian will also provide reports that list all securities held for the City, the book value of holdings and the market value as of month-end.

Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

**XVII. INVESTMENT COMMITTEE**

The Finance Director with the approval of the City Manager will establish an Investment Committee for the purpose of formulating alternative investment strategies and short-range directions within the guideline herein set forth and for monitoring the performance and structure of the City's portfolio. The Committee shall include the Finance Director as Chairman, the City Treasurer, and the City's financial/investment advisor, and may include other members as may be designated by the City Manager from time to time.

A designee of the Finance Director will provide the Committee members with current market information, an updated portfolio listing and analysis, and various pertinent financial data. The Committee, or a quorum of the committee shall meet as often as deemed necessary, under the given conditions, to review, discuss and affirm or alter the current investment strategy and perform other functions as herein provided.

The Investment Committee activities shall include but not be limited to review and setting investment strategies; review and establishing of written investment procedures; review and approval of bank and other rating agency services; review and approval of source documentation regarding issuers, institutions and dealers, and any other functions as defined herein.

**XVIII. INVESTMENT OVERSIGHT COMMITTEE**

The City Commission shall serve as the Investment Oversight Committee and shall be responsible for monitoring the results of investments and compliance with the investment policies provided herein. The City Manager shall file a report with the Investment Oversight Committee quarterly verifying investment transactions and results.

**XIX. INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by the City in writing. The Finance Director and the Investment Committee shall review the policy annually and submit recommendations to the City Manager for review and approval. If a change in the Policy is recommended for approval by the City Manager, the Finance Director will prepare the necessary report to the City Commission. To the extent the Commission deems necessary the Commission may waive the provisions of this Investment Policy by resolution.