

CHAPTER 4  
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INVESTMENT POLICY AND PROCEDURES

- 4.01 INTRODUCTION. These procedures are meant to implement the Investment Policy which has been approved by the County Board of Sheboygan County ("County") and is for the use and guidance of the County Finance Committee, the County Finance Department, and the County Treasurer.
- 4.02 GENERAL STATEMENT OF POLICY. This policy may apply to any of the County's assets which the County Board is authorized by law to invest.
  - (1) Sheboygan County shall operate the investment activity in conformity with federal, state, and other legal requirements.
  - (2) Except as otherwise set forth herein, the Finance Committee, the County Finance Director, and the County Treasurer shall be guided by the principles outlined in this Investment Policy of the Government Finance Officers Association as modified, copies of which are on file with the County Clerk, the Finance Department, and the Treasurer and which may be further modified periodically by the Finance Committee as circumstances warrant.
  - (3) This policy is adopted by the Board to provide direction and overall guidance in investing the County's assets.
- 4.03 EXECUTION AND IMPLEMENTATION OF POLICY. The Finance Committee ("Committee") will recommend portfolio strategies to the Finance Director.
  - (1) All investments will be placed by the Finance Director.
  - (2) The Finance Committee shall be regularly apprised of all investment transactions at its regular Committee meetings.
- 4.04 DEALER POLICY. The Finance Director is authorized to deal with multiple brokers and dealers, on-line investment auctions, and other entities in managing the County investment portfolio with the advice and consent of the Finance Committee. If the Finance Committee determines that all purchase and sale transactions of investment securities will be executed through a specific investment advisor the Finance Committee will select the investment advisor with consideration of recommendations made by the Finance Director. All brokers, dealers, and investment advisors shall review the County's Investment Policy and Procedures prior to engaging in investment activity on behalf of Sheboygan County and shall agree to adhere to such policies and shall so certify by signing a form provided by the Finance Director.
- 4.05 DUTIES OF THE COUNTY FINANCE DIRECTOR. The Finance Director Treasurer shall:
  - (1) Recommend investment strategies to the Finance Committee based on market analysis. Strategies may include infrequent portfolio restructuring, and the adoption of new, appropriate securities to improve portfolio performance.
  - (2) Direct all investment transactions and activities. Responsibilities include execution, reporting, and communication of activities to the Finance Committee.
  - (3) Ensure compliance of all investment activities with federal and state regulations as applicable.

- (4) Utilize market technology to improve operational procedures, i.e., safekeeping, software applications.
- (5) Reporting Requirements. The Finance Director, when initiating an order to purchase or sell securities, shall immediately prepare a written memorandum with a copy of the Finance Department so that the investment may be booked. This memorandum shall include the following:
  - (a) Date of order.
  - (b) Name of dealer.
  - (c) Dealer's representative.
  - (d) Description of the issue.
  - (e) Par value.
  - (f) Maturity date.
  - (g) Coupon rate.
  - (h) Yield to maturity (basis).
  - (i) Purchase or sale price per 100 par value.
  - (j) Credit rating by Moody or Standard & Poor.
  - (k) Anticipated settlement date.
  - (l) Delivery instructions.
- (6) Be responsible for undertaking the real property lister duties as set forth in Wis. Stat. § 70.09.

4.06 DUTIES OF THE COUNTY TREASURER. The County Treasurer shall:

- (1) Advise the Finance Director with respect to County finances, collections, and obligations, and
- (2) Assist in the development and calculation of the reporting requirements of the policy.

4.07 DUTIES OF THE FINANCE COMMITTEE. The Finance Committee shall review all investments based on the following:

- (1) Responsibilities.
  - (a) Review economic data based on current economic conditions and the outlook for interest rates.
  - (b) Review adequacy of County liquidity.
- (2) Investment Operating Policy.
  - (a) The exchange, sale, or purchase of portfolio securities shall be made by the Finance Director.
  - (b) Acquisition of large Certificates of Deposit over One Hundred Thousand Dollars (\$100,000.00) will be coordinated by the Finance Director with regard to amount, maturity, and rates.
  - (c) Public fund deposits requiring collateral will be coordinated through the County Finance Director to ensure proper rate setting and pledging.
  - (d) Repurchase Agreements will be coordinated through the County Finance Director or deputy.
- (3) The following reports will be reviewed monthly by the Finance Committee:
  - (a) All bond purchases.
  - (b) All bond sales and net profits (losses).
  - (c) Portfolio balances.
  - (d) Portfolio maturities.
  - (e) Portfolio yield.
  - (f) Market appreciation or depreciation of bond portfolio.

(g) Proposed changes and/or exceptions to the policy.

(4) The Finance Committee may develop and maintain investment policy guidelines in addition to the above that it determines necessary and appropriate as between itself, the Treasurer's Office, and the Finance Department.

4.08 CONSTRUCTION OF POLICY. The herein policy shall be constructed so as to comply with the statutory limitations as to County investments which are in effect at the time. Presently, such statutes are Wis. Stat. § 66.0603 and Wis. Stat. chs. 34 and 219.

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