

RESOLUTION NO. 2014- 02

A RESOLUTION ADOPTING AN INVESTMENT POLICY

WHEREAS, the Town of City of Bloomington has no inherent powers, but only those granted by the constitution and authorized by Illinois Compiled Statutes; and

WHEREAS, the Evergreen Memorial Cemetery is a Component Unit of the Town of City of Bloomington, (50 ILCS 610/); and

WHEREAS, investment of public funds by the Township shall be governed by a written Investment Policy adopted by the Township Board of Trustees per the Public Funds Investment Act, (30 ILCS 235/).

WHEREAS, upon re-examination of Township's Investment Policy per informal request from auditor in Fiscal Year 2012, Township has expanded its Investment Policy to coincide with the completion of transferring fiscal activities from the Component Unit Evergreen Memorial Cemetery to Township control.

WHEREAS, this document will promote efficiency and a uniform Investment Policy at Township and its component unit; and

WHEREAS, this document is implemented for the purpose of safeguarding funds, equitably distributing the investments and maximizing the rate of return to the Town of the City of Bloomington and its component units.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP BOARD OF THE TOWN OF THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS, that:

The Town of the City of Bloomington Investment Policy, attached, is hereby adopted and approved; and be it further

RESOLVED, that the Township Clerk shall attest the same after signature by the Township Supervisor.

ADOPTED this 24th day of March, 2014

APPROVED this 25th day of March, 2014

APPROVED:

Deborah L. Stillew
Township Supervisor

ATTEST:

Dacey
Township Clerk

INVESTMENT POLICY

Town of the City of Bloomington Township

The following investment policy is hereby approved by the City of Bloomington Township Supervisor and Board of Trustees for the purpose of safeguarding funds, equitably distributing the investments and maximizing the rate of return to the City of Bloomington Township (Township) and its Component Unit.

1.0 SCOPE OF POLICY

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Township Supervisor. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Township Supervisor. The Illinois Compiled Statutes will take precedence except where this policy is more restrictive.

2.0 OBJECTIVES [30 ILCS 235 / 2.5 (a)]

The Purpose of this Investment Policy is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Township Supervisor. The specific objectives of this investment policy are as follows:

1. Safety – The security of monies, whether on hand or invested, shall be the primary concern of the Township Supervisor in selecting depositories or investments.
2. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements, which might be reasonably anticipated.
3. Return – The Township Supervisor shall seek to attain a market average or better rate of return throughout budgetary and economic cycles, taking into account risk, constraints, cash flow, and legal restriction on investments.

3.0 INVESTMENT GUIDELINES [30 ILCS 235 / 2.5 (a)(3)]

To assist in attaining the stated objectives, the following guidelines shall be observed:

1. Investments shall be made in a manner that seeks to insure the preservation of capital in the overall portfolio.
2. Cash flows shall be reviewed at least quarterly.
3. All investments shall be selected on the basis of competitive bids.

4. All funds shall be deposited/invested within five business days at prevailing rates or better in accordance with Illinois Compiled Statutes.

5. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.

4.0 DIVERSIFICATION [30 ILCS 235 / 2.5 (a)(4)]

To avoid unreasonable risks, diversification of the investment portfolio shall be consistent with the objectives in the investment policy.

5.0 RESPONSIBILITY [30 ILCS 235 / 2.5 (a)(7)]

All investment of funds under the control of the Township Supervisor is the direct responsibility of the Township Supervisor. The Township Supervisor shall be responsible for all transactions and shall establish a system of controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

6.0 ACCOUNTING [30 ILCS / 2.5 (a)(8)]

All investment transactions shall be recorded by the Township Supervisor or the Township Supervisor's staff. A report will be generated, at least monthly, listing all active investments. This report will be made available to the Township Board of Trustees.

7.0 PERIODIC REVIEW [30 ILCS 235 / 2.5 (a)(9)]

The Township Supervisor will establish annual independent review for internal controls which assures compliance within this investment policy. This will be accomplished with external auditors.

8.0 REPORTING [30 ILCS 235 / 2.5 (a)(10)]

As directed by the Township Supervisor, the Township Staff shall record all investment transactions. A report will be generated at least quarterly, listing all active investments, location of investments, maturity of investments, interest rate and other pertinent information deemed necessary. This report will be submitted monthly to the Town Board of Trustees.

9.00 AUTHORIZED INVESTMENTS [30 ILCS 235 / 2.5 (a)(1)]

The City of Bloomington Township shall invest in instruments as allowed by the Public Funds Investment Act, 30 - ILCS 235 / 2. A summary of authorized investments follows:

- a) Notes, bonds, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America.
- b) Bonds, notes debentures, or other similar obligations of the United States of America or its agencies.
- c) Interest bearing accounts, certificates of deposit or interest bearing time deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act.
- d) Money market mutual funds registered under the Investment Company Act of 1940.

10.0 FINANCIAL INSTITUTIONS [30 ILCS 235 / 2.5 (a)(11)]

The Township Supervisor will have the responsibility to select which financial institutions (IPTIP, banks, and savings and loan) will be depositories for Township funds.

The Township Supervisor will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Township Supervisor investments exceed 65% of the financial institution's capital and surplus.

All financial institutions having any type of financial relationships; deposits, investments, loans, etc. are required to provide a complete and current "Call Report" required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

11.0 Collateral

1. At all times in order to meet the objective of safety of capital, the Township Supervisor will require deposits in excess of the Federally insured amount to be collateralized to the extent of One Hundred and Ten Percent (110%) and evidenced by an approved written agreement.
2. Eligible collateral instruments and collateral rates (market value divided by deposits is as follows:
 - a) Negotiable obligations of the United States Government; = 110%

- b) Negotiable obligations of any agency or instrumentality of the United States Government backed by the full faith and credit of the United States Government; = 110%
- c) Negotiable obligations of the State of Illinois which are rated A or better by Moodys or Standard and Poors; = 110%
- d) Negotiable obligations of City of Bloomington Township which are rated A or better by Moodys or Standard and Poors; = 110%

3. Maturity of acceptable collateral shall not exceed 120 months.
4. The ratio of fair market value of collateral to the amount of funds secured shall be reviewed regularly and additional collateral will be requested when the ratio declines below the level required.
5. Safekeeping of Collateral.

Third party safekeeping is required for all collateral. To accomplish this, the securities will be held at a safekeeping depository as approved from time to time by the Township Supervisor.

Safekeeping will be documented by an approved written agreement. Substitution, exchange or release of securities held in safekeeping may be done only upon five (5) business day's prior written notice to the Township Supervisor.

When collateral is extended, the Township Supervisor should receive a copy of the financial institutions board minutes, indicating the Board of Directors' approval.

12.0 PRUDENT PERSON STANDARD [30 ILCS 235 / 2.5 (a)(2)]

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 possible income to be derived.

In maintaining its investment portfolio, the Township Supervisor shall avoid any transaction that might impair public confidence in the City of Bloomington Township.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Township's portfolio.

13.0 SECURITY CONTROLS [30 ILCS 235 / 2.5 (a)(6)]

The Township Supervisor is authorized to establish financial accounts and investments for the City of Bloomington Township and its Component Unit with the advice and consent of the Township Board of Trustees. At all times, the Township Supervisor will be authorized to sign on financial accounts of the City of Bloomington Township. An authorized signature is NOT permitted to reconcile bank accounts at any time.

14.0 ETHICS AND CONFLICT OF INTEREST [30 ILCS 235 / 2.5 (a)(12)]

The Corrupt Practices Act of the Illinois Compiled Statutes shall apply in the case of this policy. In addition, no person involved in the investment process shall make any investment decision based upon personal or political gain or consequence.

15.0 AMENDMENT

This policy may be reviewed from time to time and revised upon approval of the City of Bloomington Township Supervisor and adoption by the City of Bloomington Board of Trustees.

16.0 CAPTIONS AND HEADINGS

The captions and headings used herein are for convenience of reference only and do not define or limit the contents.

This policy is hereby approved and adopted on this _____ day of _____, 20 14.