

POLICY NO. P19-01

CITY OF COLDWATER INVESTMENT POLICY As Required by Public Act 20 of 1943, as amended

Purpose

It is the policy of the City of Coldwater 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 City and complying with all state statutes governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the City of Coldwater. These assets are accounted for in the various funds of the City and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new funds established by the City.

Objectives

Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification: The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

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

Return on Investment: The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority to Make Investments

Authority to manage the investment policy of the City is delegated to the City Treasurer as provided in Section 6.7 of the Charter of the City of Coldwater.

Authorized Investments

The Treasurer is authorized to invest in the following types of securities authorized by Public Act 20 of 1943, as amended (MCL 129.91 *et seq.*):

1. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution.
3. 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.
4. Repurchase agreements consisting of instruments in Number 1 above.
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Obligations described in Numbers 1 through 6 above, if purchased through an interlocal agreement under the Urban Cooperation Act of 1967. 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
8. Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
9. Investment pools organized under the local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Safekeeping and Custody

All securities including collateral for repurchase agreements and financial institution deposits, entered into by the City of Coldwater shall be on a cash or delivery vs. payment basis. Securities may be held by a third party custodian designated by the treasurer and evidenced by safekeeping receipts as determined by the treasurer.

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.

**ACKNOWLEDGEMENT OF RECEIPT
AND AGREEMENT TO COMPLY WITH THE INVESTMENT POLICY FOR THE
CITY OF COLDWATER**

I have read and fully understand Public Act 20 of 1943, as amended and the Investment Policy of the City of Coldwater.

Any investment advice or recommendation on investments given by me, representing the below named Financial Institution to the City of Coldwater Treasurer shall comply with the requirements of Public Act 20 of 1943, as amended, and the Investment Policy of the City of Coldwater. Any existing investment not conforming with the Act or Policy shall be disclosed promptly to the City of Coldwater Treasurer.

Authorized Agent

Financial Institution

Signature

Title

Date

Please execute this agreement and return to:

City of Coldwater
Finance Department
One Grand Street
Coldwater, MI 49036