

RESOLUTION NO. 2-0700

TO THE HONORABLE IOWA COUNTY BOARD OF SUPERVISORS:

WHEREAS, the Committee on Finance, Bonds, Insurance and Tax Claims recognizes the County Treasurer's authority per Wisconsin Statutes Sections 59.26(s) and 34.01(4) to invest and reinvest county money, to sell and exchange securities so purchased, and to provide for the safekeeping of such securities;

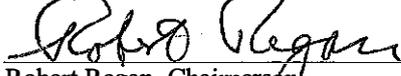
WHEREAS, the Committee on Finance, Bonds, Insurance and Tax Claims has coordinated efforts with the Iowa County Treasurer to develop an investment policy for the County;

WHEREAS, the Investment Policy of the Office of the Iowa County Treasurer is recommended by the Committee on Finance, Bonds, Insurance and Tax Claims and reviewed by the Iowa County Corporate Counsel and establishes guidelines which are broad enough to allow the County Treasurer to function properly within the parameters of responsibility and authority;

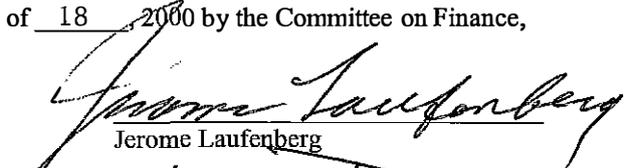
NOW THEREFOR BE IT RESOLVED, that the Committee on Finance, Bonds, Insurance and Tax Claims and the County Board of Supervisors recommends adoption of the following Investment Policy of the Iowa County Treasurer;

BE IT FURTHER RESOLVED, that such policy applies to the Iowa County Treasurer's office from this date forward;

Respectfully submitted in the month of July and day of 18, 2000 by the Committee on Finance, Bonds, Insurance and Tax Claims:


Robert Regan, Chairperson

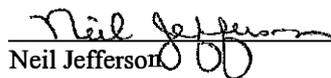

Dale Theobald


Jerome Laufenberg

David Blume

Diane McGuire

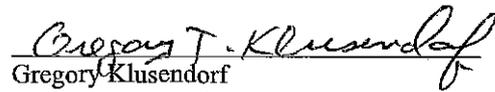
Adopted by the Iowa County Board of Supervisors on the 18th day of July 2000.


Neil Jefferson
Iowa County Chairman

ATTEST: 
Gregory Klusendorf
Iowa County Clerk

CERTIFICATION OF ADOPTION

This is to certify that the County Board of Iowa County duly adopted the above resolution on the 18th day of July 2000.


Gregory Klusendorf
Iowa County Clerk
Iowa County, Wisconsin

INVESTMENT POLICY OF THE OFFICE OF THE IOWA COUNTY TREASURER

1.0 Purpose:

The purpose of this investment policy is to establish investment guidelines which are broad enough to allow the County Treasurer to function properly within the parameters of responsibility and authority. It is also intended to be specific enough to establish a prudent set of basic procedures, to assure that investment assets are adequately safeguarded. It assures that the fundamental principles, concerning any investment program involving public monies, has four basic ingredients: **SAFETY, LEGALITY, LIQUIDITY AND YIELD.**

1.1 It is the policy of the Iowa County Treasurer to invest public funds in a manner which will provide maximum security, while meeting the daily cash flow demands of the County, and conforming to all State statutes and County ordinances governing the investment of public funds, while earning the highest return on investments.

2.0 Scope:

This investment policy applies to all financial investments made by the Iowa County Treasurer. These investments are accounted for in the Annual Report of the County Treasurer and include:

- 2.1** Investments: As herein defined, investments shall include all funds that return an income to the county.
- 2.1.1** General Fund Investments
- a.** Short Term
 - 1. Money Market Funds
 - 2. State Local Government Investment Pool
 - 3. Short Term Certificates of Deposit to balance the cash flow needs of the county
 - b.** Long Term
 - 1. Investments of 1 to 3 years in bank Certificates of Deposit or U.S. Treasury obligations of core county funds.

3.0 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 income to be derived.

3.1 The standard of prudence to be used by the County Treasurer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Treasurer, acting in accordance with written procedures and the 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 expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Goals & Objectives:

The goals of this investment policy are to insure that the County's investment portfolio is managed for maximum return, both long and short term, in a manner that is consistent with good cash management practices. The primary objectives, in priority order, of the county's investment activities shall be:

4.1 Safety:

Safety of principal is the foremost objective of the investment program. Investments made by the Iowa County Treasurer shall be undertaken in a manner that seeks preservation of capital in the overall portfolio.

4.2 Legality:

Wisconsin Statutes which govern investment of public funds effectively cover the legality factor. Investments of the County shall be undertaken in a manner that meets statutory requirements for the investment of public funds.

4.3 Liquidity:

Iowa County's investment portfolio will

remain sufficiently liquid to enable the County Treasurer to meet all operating requirements which might be reasonably anticipated.

4.4 Return on Investments:

Iowa County's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and the cash flow characteristics of the portfolio.

4.5 Authority to Manage & Invest:

Pursuant to S59.26 (s) and S34.01 (4) Wis Statutes, the authority to invest and reinvest county money and to sell or exchange securities so purchased, and to provide for the safekeeping of such securities is delegated to the County Treasurer. The Iowa County Board shall periodically review the exercise of the delegated authority by the County Treasurer. The Treasurer shall establish written procedures for the operation of the investment policy. Procedures should include reference to collateral / depository agreements, safekeeping and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the County Treasurer. The County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate activities of subordinate officials. Efforts will be made to make investments / deposits in financial institutions with Iowa County; however, should the need arise such public funds may be invested / deposited outside of Iowa County, but within the State of Wisconsin.

5.0 Ethics / Conflicts of Interest:

Elected Officials and employees involved in the investment process and policies shall refrain from activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Elected Officials and employees shall disclose to the County Board of Supervisors any material

financial interest in financial institutions that conduct business within this jurisdiction and they shall further disclose any large personal financial / investment positions that could be related to the performance of the County's portfolio. Elected Officials and employees shall subordinate their personal investment transactions to those of the County, particularly with regard to the time of purchases and sales.

6.0 Authorized Financial Institutions:

The County Treasurer will maintain a list of financial institutions authorized to provide investment services. No public deposit shall be made except in a qualified depository as established by State Laws. All financial institutions who desire to become qualified bidders for investment transactions must supply the Treasurer with a current, audited financial statement, or an annual review of financial condition, and certification of having read the County's investment policy.

7.0 Authorized & Suitable Investments:

The investment activity of Wisconsin public funds is governed by Section 66.04 and other sections of the Wisconsin Statutes. The County is empowered by statute to invest in the following types of securities:

7.1 Time deposits in an authorized bank, savings bank, trust company or savings and loan which is authorized to transact business in this State if the time deposits mature in not more than 3 years.

7.2 Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government.

7.3 The State of Wisconsin Local Government Investment Pool.

7.4 Mortgage backed securities, derivatives, and mutual funds are NOT PERMITTED.

The County Treasurer will maintain a list of financial

9.0 Maximum Maturities:

To the extent possible, Iowa County will attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than three years from the date of purchase.

Reserved funds may be invested in securities exceeding three years if maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds, but not to exceed 7 years.

10.1 Internal Control:

Annually, the County will have an independent review by an external auditor. This audit will review internal control to assure compliance with policies and procedures.

11.0 Performance Standards:

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs.

12.0 Market Yield:

The County's investment strategy is passive. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be the average Fed Funds rate.

13.0 Reporting:

The County Treasurer is charged with the responsibility of reporting on investment activity and returns upon demand by the Finance Committee and the County Board of Supervisors.

14.0 Investment Policy Adoption:

Iowa County's investment policy shall be reviewed on an annual basis by the Treasurer and the Finance Committee.

Adopted: _____
by the Finance Committee