

CHAPTER 4  
INVESTMENT POLICY AND PROCEDURES

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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 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) The primary purpose of the policy is to safely maximize net interest revenue. The investment portfolio will be structured to provide a high total return giving consideration to risk and necessary availability. Securities not pledged for any purpose may be used to provide liquidity to the County's balance sheet. The portfolio will contain high quality investments that provide a secure, stable source of income and principal preservation.

(2) This policy is adopted by the Board to provide direction and overall guidance in investing the County's assets. It shall be periodically reviewed by the Board on an annual basis or as circumstances warrant.

4.03 EXECUTION AND IMPLEMENTATION OF POLICY. The Finance Committee ("Committee") will recommend portfolio strategies to the Treasurer.

(1) All investments will be placed by the Treasurer or Deputy Treasurer ("County Management") of the County.

(2) The Committee shall be regularly apprised of all investment transactions at its regular Committee meetings.

4.04 DEALER POLICY. The Treasurer 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 Treasurer. 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 so certify on a form provided by the Treasurer.

4.05 DUTIES OF THE COUNTY TREASURER AND DEPUTY. The Treasurer, or Deputy in the absence of the 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 state regulations as applicable.

(4) Utilize market technology to improve operational procedures, i.e., safekeeping, software applications.

- (5) Reporting Requirements. The Treasurer 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.

4.06 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 Treasurer.
  - (b) Acquisition of large Certificates of Deposit over One Hundred Thousand Dollars (\$100,000.00) will be coordinated by the Treasurer with regard to amount, maturity, and rates.
  - (c) Public fund deposits requiring collateral will be coordinated through the County Treasurer to ensure proper rate setting and pledging.
  - (d) Repurchase Agreements will be coordinated through the County Treasurer 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 shall develop and maintain investment policy guidelines in addition to the above that it determines necessary and appropriate as between itself and the County Treasurer's Office.

4.07 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.