

RESOLUTION NO. 2016-23

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF BALDWIN CITY ESTABLISHING AN INVESTMENT MANAGEMENT POLICY.

WHEREAS, the City should invest idle funds in compliance with applicable state laws; and

WHEREAS, the process for identifying investment opportunities should be limited to the most secure investments; and

WHEREAS, the most favorable return on investment should be obtained; and

WHEREAS, it is important for the City to be able to maintain financial flexibility.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Baldwin City, Kansas, that:


Section 1. The City adopts the General Fund - Fund Balance Policy as attached.

ADOPTED AND APPROVED by the Governing Body of the City of Baldwin City, Kansas on 12.19.2016, 2016.

APPROVED:


Marilyn Pearse, Mayor




Laura Hartman, City Clerk

INVESTMENT MANAGEMENT POLICY CITY OF BALDWIN CITY

Section

1. Purpose

2. Responsibility for Policy

3. Authorized Investment Instruments

1. Purpose

The Investment Management Policy sets forth comprehensive guidelines for the investment of idle funds of the City. It is the objective of the policies that (1) the City invest idle funds in compliance with State Statute, (2) the process for identifying investment opportunities is limited to the most secure investments, (3) the most favorable interest rate is obtained, and (4) financial flexibility is maintained.

To enhance creditworthiness and prudent financial management, the City is committed to secure investments, and long-term financial planning.

2. Responsibility for Policy

The primary responsibility for administering this policy rests with the Finance Committee assisted by the Director of Finance. Their responsibilities include:

- Meet at least annually to consider the need changes in the composition of invested funds;
- Review changes in federal and state legislation that affect the City's investments and report findings to the City Council, as appropriate;

In developing investing recommendations, the Finance Committee will consider:

- Options for short term and long term investment, taking into consideration budgeted expenditures and long term capital planning;
- Trends in investment structures;
- Other factors as deemed appropriate;

3. Authorized Investment Instruments

The City will invest its funds pursuant to K.S.A. 12-1675, a state law which governs the investment of public funds by governmental subdivisions, units, and entities. K.S.A. 12-1675 authorizes the City to invest in the following:

- 1) its own temporary notes or no-fund warrants;
- 2) time deposit, open accounts, certificates of deposit or time certificates of deposit with maturities of not more than two years in banks, savings and loan associations and savings banks;
- 3) repurchase agreements with banks, savings and loan associations and savings banks;
- 4) United States treasury bills or notes with maturities not exceeding two years;
- 5) in the municipal investment pool fund established in K.S.A. 12-1677a, and amendments thereto;

- 6) in the investments authorized and in accordance with the conditions prescribed in K.S.A. 1997 Supp. 12-1677b; or
- 7) in multiple municipal client investment pools managed by trust departments of commercial banks which have offices located in the City or with trust companies incorporated under the laws of this state which have contracted to provide trust services under the provisions of K.S.A. 9-2107.
- (8) municipal bonds or other obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.

The investments authorized in paragraphs (4), (5), (6), (7) or (8) above shall be utilized only if the banks, savings and loan associations and savings banks eligible for investments authorized in paragraph (2), cannot or will not make the investments authorized in paragraph (2) available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and amendments thereto.

In selecting a depository pursuant to paragraph (2), if a bank, savings and loan association or savings bank eligible for an investment deposit thereunder has an office located in the investing governmental unit and such financial institution will make such deposits available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and amendments thereto, and such financial institution otherwise qualifies for such deposit, the investing governmental unit shall select one or more of such eligible financial institutions for deposit of funds pursuant to this section. If no such financial institution qualifies for such deposits, the investing governmental unit may select for such deposits one or more eligible banks, savings and loan associations or savings banks which have offices in the county or counties in which all or a part of such investing governmental unit is located which will make such deposits available to the investing governmental unit at interest rates equal to or greater than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a, and amendments thereto, and which otherwise qualify for such deposits.

- (1) All security purchases and repurchase agreements shall occur on a delivery versus payment basis.
- (2) All securities, including those acquired by repurchase agreements, shall be perfected in the name of the investing governmental unit and shall be delivered to the purchaser or a third-party custodian which may be the state treasurer.

Public moneys deposited pursuant to subsection (b)(2) of K.S.A 12-1675, and amendments thereto, by the governing body of any governmental unit listed in subsection (a) of K.S.A. 12-1675, and amendments thereto, through a selected bank, savings and loan association or savings bank which is part of a reciprocal deposit program in which the bank, savings and loan association or savings bank:

- (1) Receives reciprocal deposits from other participating institutions located in the United States in an amount equal to the amount of funds deposited by the municipal corporation or quasi-municipal corporation; and
- (2) for which the total cumulative amount of each deposit does not exceed the maximum deposit insurance amount for one depositor at one financial institution as determined by the federal deposit insurance corporation.

End of Policy