

VILLAGE OF WARRENSBURG, ILLINOIS

ORDINANCE NO. 755

**AN ORDINANCE ESTABLISHING
THE VILLAGE OF WARRENSBURG, ILLINOIS
INVESTMENT POLICY**

**ADOPTED BY
THE BOARD OF TRUSTEES OF
THE VILLAGE OF WARRENSBURG**

THIS 7th DAY OF DECEMBER, 2020

**Published in pamphlet form by authority of the Board of Trustees of
the Village of Warrensburg, Macon County, Illinois,
this 7th day of December, 2020**

ORDINANCE NO. 755

**AN ORDINANCE ESTABLISHING
THE VILLAGE OF WARRENSBURG, ILLIOIS
INVESTMENT POLICY**

NOW BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF
THE VILLAGE OF WARRENSBURG:

Section 1: That the attached Investment Policy be and the same is hereby adopted by the Village of Warrensburg.

Section 2: That this Ordinance, after its passage and approval, shall be published in pamphlet form and shall be in full force and effect on December 8, 2020, after said publication, in the manner, form, and time as provided by the laws of the State of Illinois.

TRUSTEES:

| | | | |
|----------------|----------------|------------|---------------|
| Ray Ewing | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| Douglas Fisher | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| Leland Hackl | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| Kerry Hood | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| Nelson E. Lock | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| John Oakley | Aye - <u>X</u> | Nay - ____ | Absent - ____ |
| Corey Maloney | Aye - ____ | Nay - ____ | Absent - ____ |

PRESENTED, PASSED and APPROVED this 7th day of December, 2020.

RECORDED this 7th day of December, 2020.

Approved:

Corey A. Malone

President of the Board of Trustees of the
Village of Warrensburg, Illinois

ATTEST:

Cynthia A. Hundley

Village Administrative Clerk of the
Village of Warrensburg, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

CERTIFICATE

I, CYNTHIA A. HUNDLEY, certify that I am the duly appointed Village Administrative Clerk of the Village of Warrensburg, Macon County, Illinois.

I further certify that on the 7th day of December, 2020, the President and Board of Trustees of the Village of Warrensburg passed and approved Ordinance No. 755, entitled "An Ordinance Establishing the Village of Warrensburg, Illinois Investment Policy", which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 755, including Ordinance and cover sheet thereof was prepared, a copy of such Ordinance was posted in the Warrensburg Village Hall, the Barclay Public Library, and Warrensburg Post Office, commencing December 8, 2020, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Village Administrative Clerk.

DATED at Warrensburg, Illinois this 8th day of December, 2020.

Cynthia A. Hundley

Village Administrative Clerk of the
Village of Warrensburg, Illinois

VILLAGE OF WARRENSBURG

Investment Policy

§ 318-5 Policy.

It is the policy of the Village to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State and local statutes governing the investment of public funds.

§ 318-6 Scope.

This policy includes all funds governed by the Board of Trustees.

§ 318-7 Prudence.

- A. 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.
- B. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

§ 318-8 Objective.

- A. The primary objective, in order of priority, shall be:
 - (1) Legality. Conformance with Federal, State and other legal requirements;
 - (2) Safety. Preservation of capital and protection of investment principal;
 - (3) Liquidity. Maintenance of sufficient liquidity to meet operating requirements;
 - (4) Yield. Attainment of market rates of return.
- B. The portfolio should be reviewed periodically as to its effectiveness in meeting the Village's needs for safety, liquidity, rate of return diversification and its general performance.

§ 318-9 Delegation of authority.

Management and administrative responsibility for the investment program is hereby delegated to the Finance Committee who, under the delegation of the Board of Trustees, shall establish written procedures for the operation of the investment program.

§ 318-10 Ethics and conflicts of interest.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

§ 318-11 Authorized financial dealers and institutions.

The Finance Committee will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness.

§ 318-12 Authorized and suitable investments.

Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds. Investments shall be made that reflect the cash flow needs of the fund type being invested.

§ 318-13 Collateralization.

Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent third party institution in the name of the Village.

§ 318-14 Safekeeping and custody.

All security transactions, including collateral for repurchase agreements entered into by the Village shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third party custodian designated by the Finance Committee and evidenced by safekeeping receipts and a written custodial agreement.

§ 318-15 Diversification.

The Village shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in and length of maturity.

§ 318-16 Maximum maturities.

- A. To the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than one (1) year from the date of purchase.
- B. Reserve funds may be invested in securities exceeding one (1) year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

§ 318-17 Internal control.

The Finance Committee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurances that these objectives are met. The internal controls shall address the following points:

- A. Control of collusion.
- B. Separation of transaction authority from accounting.
- C. Custodial safekeeping.
- D. Written confirmation of telephone transactions for investments and wire transfers.

§ 318-18 Performance standards.

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market /economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio. Benchmarks may include 90 Day Treasury Bills, Illinois Funds, and similar investments.

§ 318-19 Reporting.

The Chair of the Finance Committee, or his or her designee, shall prepare an investment report at least monthly. The report should be provided to the Board of Trustees and available on request. The report should be in a format suitable for review by the general public. An annual report should also be provided to the Board.

§ 318-20 Market value.

A statement of the market value of the portfolio shall be issued to the Board of Trustees quarterly.

§ Investment policy adoption.

The investment policy shall be adopted by the Board of Trustees. The policy shall be reviewed on an annual basis by the Finance Committee and any modifications made thereto must be approved by the Board of Trustees.