

**LIVINGSTON COUNTY**  
**INVESTMENT POLICY FOR LIVINGSTON COUNTY**

AS REQUIRED BY PUBLIC ACT 20 OF 1943, AS AMENDED

RESOLUTION #698-148

LIVINGSTON COUNTY, MICHIGAN

APPROVED: JUNE 15, 1998

**1.0 PURPOSE**

It is the policy of Livingston County to invest public funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security, meeting the daily cash flow requirements of the County and conforming to all State statutes governing the investment of public funds.

**2.0 SCOPE**

This investment policy applies to all financial assets of the County held by the County Treasurer. These funds are accounted for in the County Treasurer's Annual Financial Report.

**3.0 OBJECTIVE**

The primary objectives, in priority order, of the County Treasurer's investment activities shall be:

**3.1 Safety:** Safety of principal is the foremost objective in the investment of County funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**3.2 Liquidity:** The investment portfolio shall remain sufficiently liquid to enable the County Treasurer to meet all operating requirements which might be reasonably anticipated.

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

**4.0 DIVERSIFICATION**

The County Treasurer shall diversify his/her investments by security type and institution. With the exception of U. S. Treasury securities and authorized investment pools, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution.

**5.0 DELEGATION OF AUTHORITY**

Management responsibility for the investment policy is hereby delegated to the County Treasurer as required by State statute.

**6.0 AUTHORIZED INVESTMENTS**

The County Treasurer is authorized to invest in the following types of securities authorized by Public Act 20 of 1943, as amended:

- 6.1 Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 6.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- 6.3 Commercial paper rated at the time of purchase at the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- 6.4 Repurchase agreements consisting of instruments in subdivision 6.1.
- 6.5 Bankers' acceptances of United States banks.
- 6.6 Obligations of the State or any of its political subdivisions that, at the time of purchase, are rated as investment grade by not less than one standard rating service.
- 6.7 Obligations described in subdivisions 6.1 through 6.6 if purchased through an interlocal agreement under the urban cooperation act of 1967. 1976 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- 6.8 Investment pools organized under the surplus funds investment pool act, 1982 PA367, MCL 129.111 to 129.118.
- 6.9 Investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

**7.0 SAFEKEEPING AND CUSTODY**

It shall be the responsibility of the County Treasurer to determine which securities will be held by a third party custodian. Securities held in safekeeping by a third party custodian shall be evidenced by a safekeeping receipt.

**8.0 PRUDENCE**

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. 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.

**9.0 REPORTING**

The County Treasurer shall provide at least an annual report to the Board of Commissioners, which provides a clear picture of the status and types of investments of the current investment portfolio. This report shall be prepared in a manner which will allow the Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy.

<b>RESOLUTION #698-148</b>	<b>APPROVED: JUNE 15, 1998</b>
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RESOLUTION

NO: 698 - 148

LIVINGSTON COUNTY

DATE: June 15, 1998

**RESOLUTION ADOPTING AN INVESTMENT POLICY FOR LIVINGSTON COUNTY**

**WHEREAS,** the Finance Committee has reviewed the attached INVESTMENT POLICY FOR LIVINGSTON COUNTY drafted by the County Treasurer in compliance with Public Act 20 of 1943, as amended December 30, 1997, and is recommending the adoption of the same.

**THEREFORE BE IT RESOLVED** that the Livingston County Board of Commissioners hereby adopt the attached INVESTMENT POLICY FOR LIVINGSTON COUNTY.

**MOVED:** Commissioner Michaels  
**SECONDED:** Commissioner Belser  
**CARRIED:** 8-0-1 Absent

cc: Treasurer  
Accounting

CLERK'S CERTIFICATE  
STATE OF MICHIGAN  
COUNTY OF LIVINGSTON  
I, Margaret M. Dunleavy Clerk of said County of Livingston and Clerk of the Circuit Court for said County, do hereby certify that I have compared the foregoing with the original record thereof, now remaining in my possession, and that it is a true and correct transcription of the same, and of the whole of such original record.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court and County this 14th day of June A.D., 1998.

Margaret M. Dunleavy  
MARGARET M. DUNLEAVY,  
COUNTY CLERK  
Ann S. Utter DEPUTY