Resolution #281-92

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MITCHELL COUNTY INVESTMENT POLICY

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ARLENE I. BROWN, TREASURER

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********* INVESTMENT POLICY OF MITCHELL COUNTY********

SECTION ONE......SCOPE OF INVESTMENT POLICY

The investment policy of MITCHELL COUNTY,shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of MITCHELL COUNTY.Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

The investment of bond funds or sinking funds shall comply not only with this investment policy, but also be consistent with any applicable bond resolution.

This Investment Policy has been adopted to comply with Iowa Code Chapter 452.

The Investment Policy as passed by the Mitchell County Board of Supervisors, along with any future amendments of the Policy shall be delivered to the following:

1) The Mitchell County Board of Supervisors.

2) The Mitchell County Auditor

3) The auditor engaged to do the audit of Mitchell County.

4) Home Trust & Savings Bank, Osage

   Osage Farmers National Bank, Osage

   First State Bank , Riceville

   St.Ansgar State Bank, St.Ansgar

   Cedar National Bank, St.Ansgar

   Metropolitan Federal Bank, Osage

   Iowa Public Agency Investment Trust

   *All Additional depository institutions or fiduciaries for public funds that may be approved by Mitchell County Board of Supervisors by resolution.

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SECTION TWO.....DELEGATION OF AUTHORITY

In accordance with Section 452.10(1) of the Iowa Code, The responsibility for conducting investment transactions of Mitchell County, resides with the Treasurer of Mitchell County.

The Treasurer of Mitchell County by RESOLUTION NO. 277-92 has delegated authority to conduct investment transactions in keeping with the written Investment Policy of Mitchell County to the First Deputy of the Tax Department in the Treasurer's Office. (A copy of the resolution is in the appendices.)

The records of investment transactions made by or on behalf of Mitchell County are public records and are the property of Mitchell County whether in the custody of the County Treasurer or in the custody of a fiduciary or other third party.

The Treasurer of Mitchell County and those authorized through "Delegation of Authority" to place investments on behalf of Mitchell County shall be bonded in the amount of $ 50,000.00.

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SECTION THREE......OBJECTIVES OF INVESTMENT POLICY

The Treasurer of Mitchell County, in placing the investments of all funds, shall consider the primary objectives in the following order of priority to safeguard the financial assets of Mitchell County and to provide a reasonable rate of return.

1) SAFETY:
   Safety and preservation of principal in the overall investment portfolio shall be the primary objective.

2) LIQUIDITY:
   The second objective in order of importance, is to ensure that the financial assets of Mitchell county can be readily available for payment of obligations of the county.

3) RETURN:
   Thirdly, the Treasurer of Mitchell County shall strive to obtain the greatest possible return in keeping with the first two objectives.

SECTION FOUR......PRUDENCE

The Treasurer of Mitchell County shall exercise the care, skill, prudence and diligence under the circumstances then prevailing, that a person acting in a like capacity and familiar with such matters would use to attain the investment objectives when investing or depositing the funds of Mitchell County.

SOLICITATION OF RATES: Either the Treasurer or the designee for making depoits and investments shall contact no. less than 2 of the approved institutions for investment of county funds to solicit the current highest investment rate for public funds that will maintain the necessary liquidity to match the anticipated expenditures of those funds to be invested.

A register of these contacts will be kept which shall include the name of the institution contacted, date and time of contact, amount of investment fund transaction and the rate of return.A follow-up letter to the institution selected for the investment will be kept on file to verify the details of the financial transaction.

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SECTION FIVE......INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of Mitchell County may be invested in the following;

*** Interest bearing savings accounts, interest bearing money market accounts, and interest bearing checking accounts at any bank, savings and loan association or credit union in the State of Iowa that has been approved by prior resolution of the Board of Supervisors setting depository limits. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. (Copy to be part of the appendices.) Deposits in any approved financial institution shall not exceed the dollar amounts approved by the Board of Supervisors of Mitchell County.

*** Obligations of the United States government, its agencies and instrumentalities.

*** Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Iowa Code Chapter 453.

*** Iowa Public Agency Investment Trust (IPAIT)

SECTION 452.10(5) authorizes Iowa public bodies to invest in the aforementioned alternatives. Mitchell County will select the investment alternative most acceptable at the time of investment to assure liquidity of principal and to maximize the return on the investment in keeping with the objectives stated in Section Three of this investment Policy.

Upon the departure of the Treasurer from office, the Board of Supervisors in concert with the newly elected or appointed Treasurer shall review the list of authorized investments and evaluate investment alternatives.

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SECTION SIX.....PROHIBITED INVESTMENTS AND INVESTMENT PRACTICES

Assets of Mitchell County shall not be invested in the following:

1) Reverse repurchase agreements.

2) Futures and options contracts.

Assets of Mitchell County shall not be invested pursuant to the following investment practices:

1) Trading of securities for speculation or the realization of short-term trading gains.

2) Pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.

3) If a fiduciary or other third party with custody of public investment transaction records of Mitchell County fails to produce requested records when requested by this public body within a reasonable time, Mitchell County shall make no new investment with or through the fiduciary or third party and shall not renew maturing investments with or through the fiduciary or third party.

The above prohibitions are noted in the Iowa Code Sections 452.10(5), 452.10 (3), 452.10A (2)(c) and 22.13 (3) respectively.

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SECTION SEVEN......INVESTMENT MATURITY LIMITATIONS

OPERATING FUNDS.. Chapter 452.10A(1). All funds of Mitchell County are considered to be "operating funds" as statutorily defined, as these funds are reasonably expected to be expended during a current budget year or within 15 months of receipt with the exception of certain funds as herein named.

Operating funds may only be invested in instruments authorized in Section Five of this Investment Policy that mature within three hundred ninety-seven (397) days.

Non-operating Funds:

Jurisdictional Transfer Fund: Fund authorized by the Board of Supervisors for the deposit of monies received by the Iowa Department of Transportation for the jurisdictional transfer of certain primary highways to the secondary road system. (Resolution No. (#275-92)

County Conservation Land Acquisition and Capital Improvement Reserve: This reserve was authorized in accordance with Iowa Code Chapter 111A.6. The monies credited to this fund shall remain in the reserve until expended for such projects upon warrants requisitioned by the county conservation board. These funds may not be needed for expenditure within 15 months of receipt into the reserve.

(Any other funds that are not needed for expenditure in the 15 month period spelled out for operating funds.)

MITCHELL County will invest all operating and non-operating funds in investments with maturities consistent with their anticipated application for expenditure. (Iowa Code Ch. 452.10 (3).

SECTION EIGHT.......DIVERSIFICATION

Mitchell County will comply with the rule (Iowa Code Section 452.10(5) and (6) in the diversification requirements upon a public body's authorized capability to invest in prime bankers acceptances and commercial paper and other short-term corporate debt. This Investment Policy does not allow the diversification of investments other than those approved by Section Five.

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SECTION NINE......SAFEKEEPING AND CUSTODY

All invested assets of Mitchell County involving the use of a public funds custodial agreement, as defined in section 452.10, shall comply with all rules adopted pursuant to Section 452.10C. All custodial agreements shall be in writing and shall contain a provision that all custodial services be provided in accordance with the laws of the State of Iowa.

SECTION TEN......ETHICS AND CONFLICT OF INTEREST

The Treasurer and all officers and employees of Mitchell County involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

SECTION ELEVEN.........REPORTING

The Treasurer shall submit to the Board of Supervisors a monthly report that sets out the current amount of investments and the rate of interest, type of investment and date of maturity in each of the approved institutions in Section Five. The purpose of the report to compare the investment results with the budgetary expectations.

The Treasurer shall submit to the Board of Supervisors a summary of all investment transactions, recent investment conditions as it relates to return on investments, and investment strategies employed on a semi-annual basis to coincide with the semi-annual report of finances to the Board.

SECTON TWELVE......INVESTMENT POLICY REVIEW AND AMENDMENT

The Investment Policy of Mitchell County shall be reviewed on an annual basis to coincide with the budgetary process. Notice of ammendments to the Investment Policy shall promptly be forwarded to all parties noted in Section One.

DATE APPROVED
8-31-92

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APPENDICES

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APPENDICES:

1) Copy of Senate File 2036

2) Copy of Approved Bank List as distributed by the State Treasurer and any amended notice inserted in the monthly mailing by the Rate Setting Committee.

3) Resolution Delegating Authority .

4) Resolution establishing "Jurisdictional Treansfer Account "

5) Resolution establishin " County Conservation Reserve Account"

6) Resolution naming approved financial depositories and amounts.

7) Copy of officials bond.

8) Internal controls and investment practices.