

RESOLUTION 493-01

RESOLUTION ENTITLED "Delegation of Authority" whereby the Treasurer of Mitchell County authorizes the First Deputy of the Tax Division to invest public funds in accordance with Iowa Code Section 12B.10.

WHEREAS the Treasurer of each political subdivision in accordance with Section 12B.10 of the Iowa Code shall have the responsibility for conducting investment transactions and

WHEREAS only the Treasurer of Mitchell County and those authorized by resolution may invest public funds of Mitchell County,

NOW BE IT RESOLVED that "Delegation of Authority" for the investment of public funds is given by the Treasurer of Mitchell County to the First Deputy of the Tax Division for the purpose of conducting investment transactions of any public funds authorized by Section 12B.10 Code of Iowa.

Dated at Osage, Iowa January 16, 2001

Mitchell County Board of Supervisors

Ayes: Jahnēl, Tanner, Walk

Nayes: None

ATTEST


Mitchell Co. Auditor


Chairman to Board of Supervisors

SECTION TWO-----DELEGATION OF AUTHORITY

In accordance with Section 12B.10(1) the responsibility for conducting investment transaction resides with the Treasurer of Mitchell County. Only the treasurer and those authorized by (ordinance or resolution) may invest public funds and a copy of any empowering (ordinance or resolution) shall be attached to this Investment Policy.

The Treasurer of Mitchell County by RESOLUTION NO. 493-01 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 attached to this Investment Policy.)

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 of other third party.

The Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of public funds, to document those officers and employees of Mitchell County responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statement and related report on internal structure of all outside persons performing any of the following for this public body.

1. Investing public funds.
2. Advising on the investment of public funds.
3. Directing the deposit or investment of public funds.
4. Acting in a fiduciary capacity for this public body.

A Bank, Savings and Loan Association or Credit Union providing only depository services shall not be required to provide an audited financial statement and related report on internal control structure.

The Treasurer of Mitchell County and all employees authorized to place investments shall be bonded in the amount of \$50,000.00.

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 fund and all investment transactions involving operating funds, bond proceeds and other 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 applicable bond resolution.

This Investment Policy is intended to comply with Iowa Code Chapter 12B.

Upon passage and upon future amendment, if any, copies of this Investment policy shall be delivered to all of the following:

1. The governing body or officer of Mitchell County to which the Investment Policy applies.
2. All depository institutions or fiduciaries for public funds of Mitchell County.
3. The auditor engaged to audit any fund of Mitchell County.
4. The State Auditor.
5. The Mitchell County Auditor.

In addition, a copy of this Investment Policy shall be delivered to every fiduciary or third party assisting with or facilitating investments of the funds of Mitchell County.

SECTION THREE-----OBJECTIVES OF INVESTMENT POLICY

The primary objectives, in order of priority, of all investment activities involving the financial assets of Mitchell County shall be the following:

1. SAFETY: Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. LIQUIDITY: Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. RETURN: Obtaining a reasonable return is the third investment objective.

SECTION FOUR-----PRUDENCE

The Treasurer of Mitchell County, when investing or depositing public funds, 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 Section 3 investment objectives. This standard requires that when making investments decisions, the Treasurer shall consider the role that the investment or deposit plays within the portfolio of assets of Mitchell County and the investment objectives stated in Section 3.

When investing assets of Mitchell County, the Treasurer shall request competitive investment proposals for comparable credit and term investments from a minimum two of investment providers.

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. Each bank must be on the most recent Approved Bank List as distributed by the Treasurer of the State of Iowa or as amended as necessary by notice inserted in the monthly mailing by the Rate Setting Committee. Each financial institution shall be properly declared as a depository by the governing body of Mitchell County. Deposits in any financial institution shall not exceed the dollar amounts approved by the governing body 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 chapter 12C.

Iowa Public Agency Investment Trust (IPAIT) or Iowa Schools Joint Investment Trust (ISJIT) as appropriate.

Prime banker's acceptances that mature within 270 days of purchase and that are eligible for purchase by a federal reserve bank.

Commercial paper or other short-term corporate debt that matures within 270 days of purchase and is rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking.

Repurchase agreements, provided that the underlying collateral consists of obligations of the United State government, its agencies and instrumentalities and Mitchell County takes delivery of the collateral either directly or through an authorized custodian.

An open-end management investment company registered with the Securities & Exchange Commission under the federal Investment Company Act of 1940, 15 U.S.C. Section 80(a) and operated in accordance with 17 C.F.R. Section 270.2a-7 whose portfolio investments are limited to those instruments individually authorized in Section 5 of this Investment Policy.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Section 7 investment maturity limitations and Section 8 diversification requirements.

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.

SECTION SEVEN---INVESTMENT MATURITY LIMITATIONS

OPERATING FUNDS must be indentified and distinguished from all other funds available for investment. Operating Funds are defined as those funds which are reasonable expected to be expended during a current budget year or within fifteen months of receipt.

All investments authorized in Section 5 are further subject to the following investment maturity limitations:

1. Operating Funds may only be invested in instruments authorized in Section 5 of this Investment Policy that mature within three hundred ninety-seven (397) days.
2. The Treasurer may invest funds of Mitchell County that are not identified as Operating Funds in investments with maturities longer than three hundred ninety-seven (397) days. However, all investments of Mitchell County shall have maturities that are consistent with the needs and use of Mitchell County.

SECTION EIGHT----DIVERSIFICATION

Investments of Mitchell County are subject to the following diversification requirements:

Prime banker's acceptances:

1. At the time of purchase, no more than ten percent (10%) of the investment portfolio of Mitchell County shall be invested in prime banker's acceptances, and
2. At time of purchase, no more than five percent (5%) of the investment portfolio of Mitchell County shall be invested in the securities of a single issuer.

Commercial paper or other short-term corporate debt:

1. At the time of purchase, no more than ten (10%) of the investment portfolio of Mitchell shall be in commercial paper or other short-term corporate debt,
2. At the time of purchase, no more than five (5%) of the investment portfolio of Mitchell County shall be invested in the securities of a single issuer, and
3. At the time of purchase, no more than five percent (5%) of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification.

SECTION NINE---SAFEKEEPING AND CUSTODY

All invested assests of Mitchell County involving the use of a public funds custodial agreement, shall comply with all rules adopted pursuant to Section 12B.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.

SECTION TWELVE---INVESTMENT POLICY REVIEW AND AMENDMENT

This Investment Policy of Mitchell County shall be reviewed on an annual basis to coincide with the budgetary process. Notice of amendments to the Investment Policy shall promptly be forwarded to all parties noted in Section 1.

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COPY

Dated at Osage, Iowa January 16, 2001

Mitchell County Board of Supervisors

Ayes: Jahnèl, Tanner, Walk

Nayes: None

ATTEST

David Plesch
Mitchell Co. Auditor

Cheryl Dahm
Chairman to Board of Supervisors