

RESOLUTION
NO. 03-112

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PUTNAM COUNTY, FLORIDA, ESTABLISHING A METHOD FOR INVESTING PUTNAM COUNTY SURPLUS FUNDS AND PROVIDING FOR POLICIES OF INVESTMENT.

WHEREAS, Section 125.31, Florida Statutes, provides that the Putnam County Board of County Commissioners shall invest or reinvest any surplus funds in its control and possession and identifies those financial instruments and vehicles in which the County may invest; and

WHEREAS, Section 219.075, Florida Statutes, provides that unless otherwise provided by law or ordinance, any county officer having, receiving, or collecting any money, either for his office or on behalf of and subject to subsequent distribution to another office of the State or Local government, while such money is surplus to current needs of his office or is pending distribution, shall invest such money in certain statutorily designated instruments; and

WHEREAS, Section 125.01, Florida Statutes, provides that counties may perform any acts not inconsistent with law, which acts are in the common interests of the people of the county, and exercise all powers and privileges not specifically prohibited by Law; and

WHEREAS, the Board of County Commissioners has determined that the citizens of Putnam County are best served by an investment policy that places the highest priority on the safety of principal and the liquidity of funds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PUTNAM COUNTY, FLORIDA, THAT THIS RESOLUTION SUPERCEDES RESOLUTION 02-47 AND APPLIES AS FOLLOWS:

Section 1. STATEMENT OF INTENT.

This resolution establishes the overall policy for the investment of surplus funds of Putnam County pursuant to Section 218.415, Florida Statutes. Unless otherwise provided by law, all funds in the control or possession of Putnam County which are determined to be surplus funds shall be invested pursuant to this Resolution.

Section 2. DEFINITIONS.

- a. Finance Officer shall mean the County official appointed by the Clerk to be responsible for determining cash flow estimates for funds available for investment under the Plan and for the administration and management of the Plan.
- b. Custodian of Funds, hereinafter referred to as "Custodian," shall mean the Clerk and the agents under contract by the Clerk to provide clearing services, custodial safekeeping, and other

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services pursuant to contracts established and required by the Plan.

- c. Surplus Funds Investment Plan, hereinafter referred to as "the Plan", shall mean the Plan establishing the policy and procedural guidelines governing the investment of surplus funds. The Plan shall include items enumerated in Section 3 of this Resolution.
- d. Surplus funds shall mean funds in any general or special account or fund of the County that are held or controlled by the Board of County Commissioners, Putnam County, and are in excess of the amount reasonably expected to be needed for the operational expenses of the County for one business day.

Section 3. THE PUTNAM COUNTY SURPLUS FUNDS INVESTMENT PLAN.

The Board shall adopt and amend, as needed, a Plan to govern the policies and procedures for the investment of surplus funds of the County based on the following criteria:

A. AUTHORIZED INVESTMENTS.

Investments authorized by the Plan are securities defined in statutes governing the investment account funds reflected in Chapter 280, Florida Statutes, and investments as authorized by Sections 125.01, 218.415, and 219.075, Florida Statutes, and are as follows:

1. The Local Government Surplus Funds Trust Fund (State Board of Administration) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.
2. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.
4. Direct obligations of the United States Treasury.
5. Federal agencies and instrumentalities.
6. Securities of or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government

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obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

7. Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency.
8. Other investments authorized by law or by ordinance for the County.

C. PLAN PURPOSE.

The Plan shall require that the funds be managed for the exclusive purpose of providing prudent portfolio investment management of County funds and defraying reasonable expenses of administering the management of the portfolio with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and diversifying the investments of the portfolio so as to minimize the risk of permanent loss of capital unless under the circumstances it is clearly prudent not to do so. The principle objectives of the Plan and their priority ranking are as follows:

1. Safety
2. Liquidity
3. Yield

Section 4. POLICIES OF INVESTMENT.

A. MAINTENANCE OF ADEQUATE LIQUIDITY.

The investment portfolio of Putnam County, Florida must be structured in such a manner to provide sufficient liquidity to pay obligations as they become due. The investment portfolio shall be diversified by type of investment, issuer, and dates of maturity in order to protect against fluctuations in the market/economy.

1. At least fifteen percent (15%) of the County's portfolio shall be kept in liquid investments which are available on a daily basis, without permanent loss of principal.
2. The clear title to principal and collateral backing for all investments shall be held for the benefit of Putnam County.
3. Unless market conditions otherwise require, not more than fifteen percent (15%) of the County's investment portfolio shall be in any one class of security other than those issued or guaranteed by the U. S. Government or its agencies.

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4. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than five (5) years from the date of purchase. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as closely as practicable with the expected use of those funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Board of County Commissioners.

B. RETURN ON INVESTMENTS.

1. The Board of County Commissioners seeks to optimize return on investments within the constraints of safety and liquidity. The investment portfolio shall be designed with the annual objective of meeting or exceeding the average return on 91-day U. S. Treasury Bills.

2. The purchase and sale of securities shall be at competitive prices based on market conditions.

C. REPURCHASE AGREEMENTS.

Collateral shall be required for any Repurchase Agreement, not covered under Chapter 280, Florida Statutes. Collateral placed for any repurchase agreement will be governed by a Master Repurchase Agreement executed between Putnam County and the participating security brokers/dealers, including banks and savings and loan associations.

Section 5. ETHICAL STANDARDS.

The standard of conduct to be applied to all parties identified in the Resolution and the Plan shall be that of the "prudent person" who shall provide investment management services to the County, while defraying reasonable expenses of administering the duties of managing the portfolio, and shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investment of the portfolio so as to minimize the risk of permanent capital losses, unless under the circumstances it is clearly prudent not to do so.

Section 6. CONTINUING EDUCATION REQUIREMENT.

The Finance Officer or other county officials responsible for making investment decisions shall annually complete eight (8) hours of continuing education in subjects or courses of study related to investment practices and products.

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Section 7. REPORTING REQUIREMENTS.

No later than December 31st of each year, the Finance Officer, on behalf of the Clerk of Circuit Court, shall submit an investment performance report to the County Administrator for the previous fiscal year. The investment performance report shall include the following information:

- a. Amount of investments by type or category,
- b. Current yield and the amount of interest earnings,
- c. Maturity dates if applicable,
- d. Market value of investments,
- e. Any other information as requested by the Board of County Commissioners.

DONE, ORDERED AND ADOPTED this 9th Day of September, A. D. 2003.

BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA

BY Nancy S. Harris
Nancy S. Harris, Chairman

ATTEST:

BY Tim Smith
Tim Smith, Clerk of Courts

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