RESOLUTION NO. 99R-92

RESOLUTION ADOPTING INVESTMENT POLICY FOR THE VILLAGE OF BOLINGBROOK

WHEREAS, pursuant to 30 ILCS 235/2.5 et seq., investment of public funds by a public agency shall be governed by a written investment policy adopted by the public agency; and

WHEREAS, the President and the Board of Trustees of the Village of Bolingbrook believe and hereby declare that it is in the best interests of the Village and its residents to adopt the investment policy attached hereto as Exhibit 1 and made a part hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF BOLINGBROOK, WILL AND DU PAGE COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION ONE: The foregoing recitals shall be and are hereby incorporated by reference as if said recitals were fully set forth within this Section One.

SECTION TWO: The Investment Policy attached hereto as Exhibit 1 and made a part hereof shall be and is hereby adopted.

SECTION THREE: A copy of the Investment Policy adopted hereby shall be on file and available to the public for inspection at Village Hall.

SECTION FOUR: Any policy or resolution of the Village which is in conflict with the provisions of this resolution or the policy adopted hereby shall be and is hereby repealed to the extent of such conflict.

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SECTION FIVE: This Resolution shall take effect upon its approval in the manner provided by law.

PASSED THIS 14th day of December, 1999.

AYES: 5- Trustees Kwiat, Lawler, Swinkunas, Brown, Schroeter

NAYS: 0- none

ABSENT: 1- Trustee McMillan

APPROVED THIS 14th day of December, 1999.

ATTEST:

VILLAGE CLERK

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Resolution No. 99R-92
VILLAGE OF BOLINGBROOK, ILLINOIS
INVESTMENT POLICY

1.01 Policy

It is the policy of the Village of Bolingbrook 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 Village of Bolingbrook and conforming to all state and local statutes governing the investment of public funds.

1.02 Scope

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

1.03 Prudence

Investments shall be made with judgement 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.

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.

1.04 Objective

The primary objective, in order of priority, shall be:

- Legality - conformance with federal, state and other legal requirements
- Safety - preservation of capital and protection of investment principal
- Liquidity - maintenance of sufficient liquidity to meet operating requirements
- Yield - attainment of market rates of return

The portfolio should be reviewed periodically as to its effectiveness in meeting the Village of Bolingbrook’s needs for safety, liquidity, rate of return, diversification and its general performance.
1.05 Delegation of Authority

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

1.06 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.

1.07 Authorized Financial Dealers and Institutions

The Finance Director (Treasurer) 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.

1.08 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.

1.09 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 municipality.

1.10 Safekeeping and Custody

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

The Village of Bolingbrook 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.

1.12 Maximum Maturities

To the extent possible, the Village of Bolingbrook shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village of Bolingbrook will not directly invest in securities maturing more than 5 years from the date of purchase.

Reserve funds may be invested in securities exceeding 15 years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

1.13 Internal Control

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

- Control of collusion
- Separation of transaction authority from accounting
- Custodial safekeeping
- Written confirmation of telephone transactions for the investments and wire transfers

1.14 Performance Standards

The 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. (The Village of Bolingbrook will have to insert their benchmark, i.e., 90 day T-Bill, Illinois Funds, etc.)
1.15 Reporting

The Finance Director (Treasurer) 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.

1.16 Marking to Market

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

1.17 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 Director (Treasurer) and any modifications made thereto must be approved by the Board of Trustees.