

BELVIDERE TOWNSHIP
BOONE COUNTY, ILLINOIS

RESOLUTION/POLICY #04-2021

Revised 5/21

INVESTMENT POLICY

WHEREAS, Belvidere Township as a non-home rule unit has been granted such powers pursuant to the Illinois Constitution and by statute either expressly or as may be impliedly necessary to the accomplishment of the intent hereof: and

WHEREAS, 30 ILCS 235/2.5 requires this public agency to adopt a written investment policy for its public funds addressing safety of principal, liquidity of funds, return on investment, and other specifics: and

WHEREAS, the corporate authorities of Belvidere Township believe that the public health, safety and welfare of the residents of the township would best be served by making the following addition or amendment to its code.

NOW THEREFORE, BE IT ORDAINED BY THE SUPERVISOR AND BOARD OF TRUSTEES OF BELVIDERE TOWNSHIP AS FOLLOWS:

Section 1. Provisions

1. List of authorized investments:

Funds of the township may be invested in all those securities and accounts which may be authorized by law, including but not limited to deposits in state or federal chartered financial institutions, certificates of deposit, other resources as hereafter authorized by statute, and those items specifically authorized by 40 ILCS 5/3-135, 40 ILCS 5/4/-128, 235/0.01 et seq. ILCS 235/2 and 15 ILCS 505/17. Investments may also be in any type of security allowed by Illinois statutes regarding the investment of public funds. Investments shall be made that reflect the cash flow needs of the fund type being invested.

2. Standard of Care:

Investments shall be made with judgement and care, under circumstances than 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.

3. Investment guidelines:

The investment of public funds shall be made in accordance with the guidelines of this Resolution with a view toward liquidity, return on investment, and safety of principal as well as long term and short term requirements as may be known to the officer or employee charged with the handling of public funds.

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

4. Diversification:

Public funds shall be diversified as appropriate to the nature, purpose and amount of funds within the investment portfolio with a view towards safety of principal and overall return on investment.

5. Collateral Requirements:

Collateral for investment and deposit of public funds shall be placed with financial institutions with sufficient resources to justify public confidence. For those funds placed into chartered financial institutions, FDIC and FSLIC insurance shall be required and safe-keeping certificates from such institutions obtained in the event deposits exceed \$100,000 in the aggregate.

6. Internal Controls:

The investments portfolio shall be reviewed no less than quarterly by and through its Board in a manner designed to prevent losses of funds that may arise from fraud, employee error, misrepresentation by third parties or imprudent action by employees.

7. Chief Investment Officer:

The chief investment officer is responsible for establishing internal controls and further written procedures for operation of the investment program. That person holding the position of Belvidere Township Supervisor shall be the chief investment officer. All transactions shall be recorded by the Supervisor or the Township Supervisor's staff. Furthermore, the Belvidere Township Supervisor is authorized to establish financial accounts for Belvidere Township with advice and consents of the Belvidere Township Board of Trustees. At all times the Belvidere Township Supervisor will be authorized to sign on financial accounts of Belvidere Township.

8. Performance Measures:

The Board shall review the performance of the public funds from quarterly that is appropriate to the nature and purpose of the funds and amount thereof with a view towards liquidity, short and long term requirements for operating funds. It is the policy of this public entity 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 entity and conforming to all state and local statutes governing the investment of public funds. 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 and credit quality as the portfolio.

9. Periodic Review:

The investment portfolio shall be reviewed no less than quarterly at a regular board meeting and shall analyze the effectiveness of the program of investment in meeting need for safety, liquidity, rate of return, diversification, and general performance. Such performance may be measured against rates of return offered by local chartered financial institutions and other financial indicators given the limited investment allowed by law in regard to public funds.

10. Investment Activity Reports

The chief investment officer shall quarterly report in writing of the investment Activities for the prior quarter, which report shall include information regarding securities in the portfolio by class or type, book value, interest earned and market value as of date of report. The regularly prepared Treasurer's Report containing the aforementioned information, whether prepared internally, or by outside

10. Investment Activity Reports (Cont'd)

agents, shall be sufficient to satisfy this obligation. i.e.: Belvidere Townships end of the month financial statements.

11. Selection of Investment Advisors:

Investment advisors, money managers, and financial institutions shall be selected from time to time by the Board of Trustees in accordance with these guidelines or upon the recommendation of the Belvidere Township Supervisor.

12. Ethics:

Conflicts of interest between the chief financial officer and the institution selected for deposit of public funds shall be absolutely avoided and prohibited. Funds may be invested in a financial institution in which a board member, employee, or investment officer is a member of the Board of Directors thereof, but not its chief executive officer.

Section 2. Severability:

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Repeal:

All Ordinances in conflict with the provisions hereof are, to the extent that such conflict exists, hereby repealed.

Section 4. Savings:

Any amendment or repeal of any portion of an existing ordinance created by the terms hereof shall not affect any punishment or penalty incurred before such repeal or amendment takes effect, nor any suite, prosecution or proceeding pending at the time of the repeal or amendment for an offense committed or cause of action arising under the ordinance, resolution or motion repealed or amended by the terms hereof.

Section 5. Adoption:

It is found that this Ordinance affects the public welfare, health, and safety, and as such this Ordinance shall be in full force and effect from and after its passage and approval and due posting or publication in pamphlet form and may be later codified as deemed proper by the Supervisor.

PASSED BY THE BOARD OF TRUSTEES OF BELVIDERE TOWNSHIP,
BOONE COUNTY, ILLINOIS ON _____, 2021.

APPROVED AND SIGNED BY ME AS SUPERVISOR OF THE BOARD OF
TRUSTEES OF BELVIDERE TOWNSHIP, BOONE COUNTY, ILLINOIS, THIS

DAY OF _____, 2021.

SPREAD ON THE MINUTES OF THE _____, 2021
BOARD MEETING AS INVESTMENT POLICY/RESOLUTION #04-2021

BILL J. ROBERTSON, SUPERVISOR

ATTEST:

JUDITH A. SCHABACKER, TOWN CLERK

AYES:

NAYS:

ABSENT:

NOT VOTING

STATE OF ILLINOIS)
) SS
COUNTY OF BOONE)

CERTIFICATE

THE UNDERSIGNED CERTIFIES THAT SHE IS THE CLERK OF
BELVIDERE TOWNSHIP, BOONE COUNTY, ILLINOIS.

I FURTHER CERTIFY THAT ON _____, 2019 THE
CORPORATE AUTHORITIES OF SUCH TOWNSHIP PASSED THIS
ORDINANCE/RESOLUTION POLICY #04-2021 WHICH PROVIDED BY ITS TERMS
THAT IS SHOULD BE MADE AVAILABLE UPON REQUEST.

COPIES OF THIS ORDINANCE/RESOLUTION POLICY #04-2021 WERE
PREPARED AND SUCH POSTED IN THE TOWNSHIP OFFICE COMMENCING ON
_____, 2021, AND CONTINUING FOR AT LEAST TEN DAYS
THEREAFTER. THESE COPIES ARE AVAILABLE UPON REQUEST FOR PUBLIC
INSPECTION UPON REQUEST IN THE OFFICE OF THE CLERK.

DATED AT BELVIDERE, ILLINOIS, THIS ____ DAY OF _____,
2021.

JUDITH A. SCHABACKER, TOWN CLERK

05/04/21