

Ordinance # 567

INVESTMENT MANAGEMENT POLICY

WHEREAS, this policy is established by Ordinance of the City Council to formalize practices and procedures for investment of all City funds, including but not limited to, the following:

- Operating Funds
- Working Capital Reserves
- Funds Designated for Capital Projects
- Proceeds of Bonds, Notes and Other Obligations.

WHEREAS, the Finance Director serves as Treasurer of the City. Implementation and ongoing monitoring of the Investment Management Policy shall be a duty of the Finance Director.

WHEREAS, below is a listing, ranked in order of importance, of the goals of the City's Investment Policy:

1. Safety of City Funds.
2. Ensure Sufficient Availability of Funds to Meet City Obligations.
3. Obtain Highest Possible Earnings from Investment of City Funds.

WHEREAS, all investment instruments permitted in this policy are in accordance with Tennessee Code Annotated (TCA) 6-56-106.

WHEREAS, Authorized Investments includes:

1. Bonds, notes or treasury bills of the United States;
2. Nonconvertible debt securities of the following government sponsored enterprises that are chartered by the United States Congress; provided, that such securities are rated in the highest category by at least two (2) nationally recognized rating services:
 - a. The federal home loan bank;
 - b. The federal national mortgage association;
 - c. The federal farm credit bank; and
 - d. The federal home loan mortgage corporation;
3. Any other obligations not listed in (1) or (2) that are guaranteed as to principal and interest by the United States or any of its agencies;
4. Certificates of deposit and other evidences of deposit at state and federally chartered banks, and savings and loan associations;
5. The local government investment pool created by TCA title 9, chapter 4, part 7;
6. Bonds or notes issued by or on behalf of the City of Clinton in accordance with TCA title 9, chapter 21;

7. Bonds or notes backed by the direct general obligation of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers; and are rated in either of the two (2) highest rated categories by a nationally recognized rating agency.

WHEREAS, additional Policies includes:

1. All investments shall have a final maturity not to exceed twenty four (24) months from the date of the investment or may be tendered by the holder to the issuer thereof, or an agent of the issuer, at no less than twenty four (24) month intervals;
2. To ensure sufficient liquidity of funds, all investments in the variable rate mode must carry a “put” option to be accessed in the case of a failed remarketing.
3. This Policy may be amended as necessary by ordinance of City Council.

NOW, THEREFORE IT SHALL BE ORDAINED by the Mayor and City Council of the City of Clinton, Tennessee this Ordinance shall take affect upon it passage, the public welfare requiring it.

Passed First Reading: August 24, 2009

Public Hearing: September 21, 2009

Passed Second Reading: September 21, 2009

APPROVED:

ATTEST:

Winfred E. Shoopman, Mayor

Vickie L. Fagan, City Recorder