

RESOLUTION NO. 2020-27

A RESOLUTION BY THE UNION COUNTY BOARD OF FINANCE ESTABLISHING THE UNION COUNTY INVESTMENT POLICY.

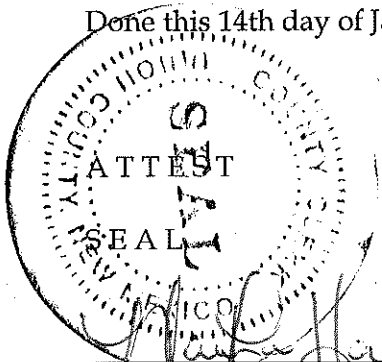
WHEREAS, at a meeting of the Union County Board of Finance held on January 14th, 2020 the following was among the proceedings; and

WHEREAS, the Board of County Commissioners of Union County is the Union County Board of Finance pursuant to NMSA 1978 Section 6-10-8; and

WHEREAS, the Union County Board of Finance desires to adopt and establish the Union County Investment Policy as set forth in Exhibit "A", which is attached and incorporated by reference.

NOW THEREFORE BE IT RESOLVED that the attached Union County Board of Finance Investment policy is hereby adopted, and that all past resolutions and policies pertaining to Investment Policy are hereby revoked, permanently rescinded and superseded.

Done this 14th day of January, 2020.



ATTEST
SEAL
Mary Lou Harkins
Mary Lou Harkins, County Clerk

BOARD OF FINANCE OF
UNION COUNTY, NEW MEXICO

Tom Bennett
Chairman

Alan Vot
Member

Ray Kisker
Member

EXHIBIT "A"

UNION COUNTY BOARD OF FINANCE INVESTMENT POLICY

1. INTRODUCTION: This investment policy applies to all financial assets of Union County including the General Funds, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, and Agency Funds:

This resolution establishes policy for the prudent investment of Union County's Funds, and to maximize the efficiency of the County's cash management system. The goal of this policy is to protect public funds and to invest County funds in a manner that insures the safety of the investment, that provides for adequate liquidity, and that maximizes investment income after providing for safety and liquidity.

2. DELEGATION OF AUTHORITY: The County Treasurer, by and with the advice and consent of the County Board of Finance, has ultimate authority over the investment of public funds as outlined in this policy and is, hereby, designated Investment Officer. The Investment Officer shall be responsible for all investment transactions and shall maintain the system of controls outlined in this policy to regulate investment activities. The County Board of Finance may designate any other administrative county official to act as representative or liaison between the County Treasurer and the Board.

3. PRUDENT MAN RULE: Prudence to be applied by the Investment Officer shall be in accordance with NMSA 1978 Section 6-8-10, which states: "Investments... shall be made with the exercise of that degree of judgment and care, under circumstances then prevailing, which men 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."

4. ETHICS AND CONFLICT OF INTEREST: Investment officials shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could affect or impair their ability to make impartial investment decisions.

5. INTERNAL CONTROLS: The County Treasurer as the Investment Officer shall document and maintain the system of internal controls. The internal controls shall be reviewed by the County Board of Finance as required, and with independent auditors on an annual basis. The County Treasurer shall review the system of controls periodically to insure compliance and effectiveness.

6. REPORTING: The safekeeping report, pro-rata distribution report and investment report shall be compiled monthly and published along with the Treasurer's monthly financial statement.

7. INVESTMENTS: All sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities, by law, entrusted to the care and custody of the Treasurer and all money immediately necessary for public use may be invested in interest bearing

deposits with banks and savings and loan associations within the geographical boundaries of the County. All funds available for investment with local banks and savings and loan associations must be equitably distributed according to the net worth of each institution in accordance with NMSA 1978 Section 6-10-9. If any bank or savings and loan association within the geographical boundaries of the County declines to accept any part of their pro-rata share of County funds, a written notice of such shall be obtained by the Investment Officer. The funds that are declined shall be considered excess and may, with the approval of the County Board of Finance, be invested in those securities authorized by the laws of the State of New Mexico including:

1. Certificates of Deposits
2. United States Treasury Bills, United States Bonds and United States Notes.
3. Bonds or negotiable securities of the State of New Mexico or any County, Municipality or School District.
4. Short term investments under the supervision of the State Treasurer as per NMSA 1978 Section 6-10-10.1.(also see NMSA 1978 Sections 6-10-10 and 6-10-44).

8. COLLATERALIZATION: In an effort to safeguard against the failure of financial institutions the following criteria shall apply to all investments:

ALL COLLATERAL SHALL BE BASED ON 50% COLLATERALIZATION

9. BANKS SELECTION: Public money may be invested with banks and savings and loan associations, having their main or a staffed branch office within the geographical boundaries of the County, which have qualified as public depositories by reason of insurance of the account by an agency of the United States, or by depositing collateral security or United States Treasury Bills.

10. SAFEKEEPING AND CUSTODY: No public funds to be invested in negotiable securities or loans to financial institutions fully secured by negotiable securities at current market value shall be paid out unless there is a contemporaneous transfer of securities, at the earliest time industry practice permits, but in all cases settlement shall be on a same day basis either by physical delivery or in the case of uncertificated securities, by appropriate book entry on the books of the issuer to the purchaser or to a reputable third-party safekeeping financial institution acting as agent or trustee for the purchaser, which agent or trustee shall furnish timely confirmation to the purchaser. NMSA 1978 Section 6-10-10(M) The Investment Officer shall prepare the safekeeping report on a monthly basis.