



BOISE COUNTY

RESOLUTION #2010-26

A BOISE COUNTY RESOLUTION TO ESTABLISH THE OFFICIAL INVESTMENT POLICY FOR BOISE COUNTY

WHEREAS, Boise County receives, deposits, invests and manages millions of dollars annually; and

WHEREAS, Idaho Code 57-101 provides that the Board of County Commissioners of a depositing unit, such as Boise County, designates the places for safekeeping of public monies; and

WHEREAS, Idaho Code 57-101 further provides that the County Treasurer shall deposit and invest monies with the approval of the County Commissioners; and

WHEREAS, the Boise County Treasurer has revised and update the previously approved Boise County Investment Policy promulgated pursuant to Idaho Code 57-101.

NOW THEREFORE BE IT RESOLVED that until this resolution is revoked or revised, the Boise County Board of Commissioners approves and adopts the investment policy hereby attached.

BE IT FURTHER RESOLVED that this resolution supersedes all previously adopted Boise County Investment policies.

APPROVED and **ADOPTED** in Open Session on the 8 day of March, 2010.

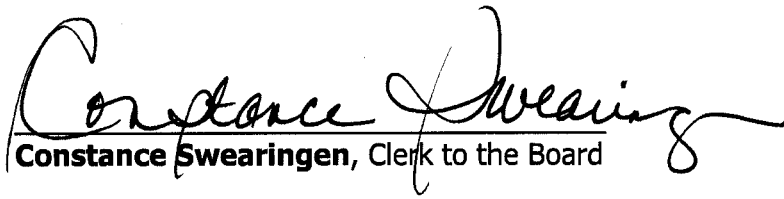
BOISE COUNTY BOARD OF COMMISSIONERS


TERRY C. DAY, Chairman


JAMIE A. ANDERSON, Commissioner


LINDA W. ZIMMER, Commissioner

ATTEST:


Constance Swearingen, Clerk to the Board

BOISE COUNTY INVESTMENT POLICY

SECTION 1 – SCOPE OF THE INVESTMENT

The Investment Policy of Boise County shall apply to all operating funds, bond proceeds and other funds accounted for in the financial statements of Boise County. Applicable law and this written Investment Policy authorize each investment made pursuant to this Investment Policy.

SECTION 2 – DELEGATION OF AUTHORITY

In accordance with Idaho Title 57, Chapter 1, Sections 57-101, et seq. provides that the County Treasurer shall deposit and invest money with the approval of the Board of County Commissioners. Idaho Code Sections 57-127, 57-127A and 57-128, empower the County Treasurer to invest surplus or idle funds in instruments and investments permitted by Idaho Code Section 67-1210, with the approval of the Board of County Commissioners. Only the Treasurer and those authorized by resolution may invest public funds and a copy of any empowering resolution shall be attached to this Investment Policy.

The Boise County Treasurer is further permitted to invest in authorized securities with primary or regional dealers. Investments shall be made with banks designated by the State Treasurer as a state depository. The list of Public Depositories and transactions made by or on behalf of Boise County are public record.

SECTION 3 – OBJECTIVES OF INVESTMENT POLICY

The primary goals of all investment activities involving the financial assets of Boise County shall be based in the following order of priority:

- a. Safety of principal;
- b. Maintaining the necessary liquidity to match expected and unexpected liabilities; and
- c. Obtaining a reasonable return.

The Treasurer of Boise County, when investing or depositing public funds, shall exercise 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 to attain the goals of this Section. This standard requires that when making investment decisions, the Treasurer shall consider the role that the investment of deposit plays within the portfolio of assets of Boise County and the investment objectives stated in this policy.

SECTION 4 – INSTRUMENTS ELIGIBLE FOR INVESTMENT

Allowable investments pursuant to Idaho Code are:

- A. Bonds, treasury bills, interest-bearing notes, and other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- B. General obligation or revenue bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.
- C. General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district of this state.
- D. Notes, bonds, debentures, or other similar obligations issued by the farm credit system or institutions forming a part thereof under the Farm Credit Act of 1971 [USC., tit. 12, sections 2001-2259] and all acts of Congress amendatory thereof or supplementary thereto; in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act [U.S.C., tit. 12, sections 1421-1449] ; in bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act [U.S.C., tit. 12, sections 1701-1750g] as amended, and in the bonds of any federal home loan bank established under said act and in other obligations issued or guaranteed by agencies or instrumentalities of the government of the state of Idaho or of the United States, including the United States Small Business Administration guaranteed portion of any loan approved by an Idaho banking corporation and by the State Treasurer.
- E. Bonds, notes or other similar obligations issued by public corporations of the state of Idaho including, but not limited to, the Idaho State Building Authority, the Idaho Housing Authority and the Idaho Water Resource Board.
- F. Re-purchase agreements covered by any legal investment for the state of Idaho.
- G. Tax anticipation notes and registered warrants of the state of Idaho.
- H. Tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho.
- I. Time deposit accounts and savings accounts in state depositories including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- J. Time deposit accounts and savings accounts of state or federal savings and loan associations located within the geographical boundaries of the state of Idaho in amounts not to exceed the insurance provided by the Federal Savings and Loan Insurance Corporation including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.
- K. Revenue bonds of institutions of higher education of the state of Idaho.
- L. Share, saving and deposit accounts of state and federal credit unions located within

the geographical boundaries of the state of Idaho in amounts not to exceed the insurance provided by the National Credit Union Share Insurance Fund and/or any other authorized deposit guaranty corporation, including, but not limited to, accounts on which interest or dividends are paid and upon which negotiable orders of withdrawal may be drawn, and similar transaction accounts.

M. Money market funds where portfolios consist of any allowed investment as specified in this section. The securities held in money market portfolios must be dollar-denominated, meaning that all principal and interest payments on such a security are payable to security holders in United States dollars.

N. Idaho State Local Government Investment Pool (LGIP). Investments may be made in the LGIP as long as its credit rating meets required standards.

The Boise County Treasurer is further authorized to hold surplus or idle funds in time deposits, savings accounts, money market or brokerage accounts while exploring markets for favorable investments.

SECTION 5 – PROHIBITED INVESTMENT PRACTICES

Assets of Boise County shall not be invested pursuant to the following investments practices:

A. Trading of securities or the realization of short-term trading gains.

B. A contract providing for the compensation of an agent or fiduciary. In addition to the prohibited practices above, if a third party with custody of public transaction records of Boise County fails to produce requested records within a reasonable amount of time, Boise County shall make no new investments with or through the third party.

SECTION 6 – INVESTMENT MATURITY AND CREDIT QUALITY

Operating funds shall be identified and distinguished from all other funds available for investment. Operating Funds are defined as those funds, which are reasonably expected to be expended, during a current budget year or within 12 months of receipt.

All investments authorized in Section 4 are further subject to the following investment maturity limitation in order to manage risk.

A. The Treasurer may invest funds of Boise County, which are not identified as Operating Funds, in investments with maturities longer than 365 days, but not to exceed 1,460 days. However, all investments of Boise County shall have maturities that are consistent with the needs and use of the County.

B. It is the intent of the Boise County Treasurer to make investments locally as long as the rates remain competitive.

C. At the time of purchase all acceptable financial instruments must have a credit rating of A or better by Standard and Poor's Corporation (S&P) or an equivalent nationally

recognized statistical rating organization.

- D. Any deposits exceeding insurance limits shall be fully collateralized by government and/or agency securities held by the pledging financial institution.
- E. All investments made prior to May 1, 2005, are not subject to maturities outlined in this section.

SECTION 7 – DIVERSIFICATION

Whenever possible, it shall be the policy of the Boise County Treasurer to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. In a specific maturity:
 - Portfolio maturities shall be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities that provide stability of income and reasonable liquidity shall be selected.
 - Liquidity practices to ensure that the next disbursement date and payroll date are covered through maturing investments or cash on hand shall be used at all times.
 - Securities shall be purchased with the intent of holding them to maturity.
- B. In a specific issuer, not more than 50%.
- C. In a specific class of security not more than 50%.

SECTION 8 – SAFEKEEPING AND CUSTODY

Confirmation of all purchases or sales of securities by Boise County shall be held by the Boise County Treasurer within the Boise County Treasurer's vault. If such confirmation of purchase and sale is retained in the vault, the Treasurer shall be authorized to leave the actual securities in the name of Boise County on account with brokers or correspondent banks.

SECTION 9 – ETHICS AND CONFLICT OF INTEREST

The Treasurer and all officers and employees of Boise County involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

SECTION 10 – INVESTMENT POLICY REVIEW

This Investment Policy shall be reviewed every two years or more frequently as appropriate.

SECTION 11 – EFFECTIVE DATE

This policy is hereby adopted and made effective by Resolution 2010-26, Boise County Investment Policy, dated March 8 2010 and shall remain in effect until revised or revoked by resolution of the Boise County Board of Commissioners.