

**RESOLUTION**

**WHEREAS**, the Rutherford County Trustee desires to amend the Investment Policy for Rutherford County to allow investments in Insured Cash Sweeps up to Seventy Percent (70.0%) of the portfolio and to allow the distribution of investment bid requests by email; and

**WHEREAS**, adding Insured Cash Sweeps up to Seventy Percent (70.0%) of the portfolio would allow the Trustee to have more flexibility in investing the funds with no more risk.

**THEREFORE BE IT RESOLVED** by the Rutherford County Board of Commissioners that the Investment Policy for Rutherford County, a copy of the same being attached hereto as “Exhibit 1” and incorporated herein by reference as if set forth herein at length verbatim, be amended to allow the Trustee to invest in Insured Cash Sweeps up to Seventy Percent (70.0%) of the portfolio and to allow the distribution of investment bid requests by email.

**RESOLVED** this 15<sup>th</sup> day of September, 2016.

RUTHERFORD COUNTY, TN

BY: \_\_\_\_\_  
ERNEST G. BURGESS, Chairman

**ATTEST:**

\_\_\_\_\_  
LISA CROWELL, County Clerk

## **“EXHIBIT 1”**

### **INVESTMENT POLICY FOR RUTHERFORD COUNTY**

This investment policy applies to the activities of Rutherford County with regard to investments of all idle funds.

The funds of Rutherford County will be invested in accordance with TCA 5-8-301. The County’s investments shall be managed in such a manner as to attain a market average rate of return throughout all economic cycles. Preserving and protecting the capital will always be first priority.

The standard of prudence to be applied shall be the “prudent rule”, which states “Investments shall be made with judgment 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 prudent investor rule shall be applied in the context of managing the overall portfolio.

Before the county invests any of its funds in Collateralized Certificates of Deposit, competitive bids will be asked for in the same manner as are now implemented. All interested banks will be notified several working days prior to the date of bidding as to the amount and duration of investments. On the date of the bidding, the request for bids will be sent out simultaneously by fax machine or email to banks that have a collateral security agreement in place. The bidding will end at 11:00 AM and the winning bank then notified. All bids will be made on a 360-day basis or adjusted to a 360-day basis for comparison.

The Trustee of Rutherford County is designated as the investment officer of the county and is granted the authority to make investment decisions within the parameters of this policy. The Trustee will monitor the content of the investment portfolio, the available markets and the relative values of the qualifying investments, and will have privileges of adjusting the portfolio accordingly. No investments will be considered that are not described in the investment policy.

## TYPES OF INVESTMENT INSTRUMENTS

The Trustee will diversify instruments to avoid unreasonable risks inherent in over investing in specific instruments, individual institutions or maturities. The instruments to be used are as follows:

- a) Collateralized Certificates of Deposit; up to 70% of Portfolio.
- b) U. S. Treasury Bills and U. S. Treasury Notes; up to 100% of Portfolio.
- c) Local Government Investment Pool; up to 100% of Portfolio.
- d) Collateralized Cash Management Accounts; up to 70% of Portfolio.
- e) Shared Certificates of Deposit/CDARS; up to 50% of Portfolio.
- f) Insured Cash Sweeps/ICS; up to 70% of Portfolio.

The Trustee will provide monthly reports of all investment activities to the Budget, Finance and Investment Committee.

BY: \_\_\_\_\_  
ERNEST G. BURGESS, County Mayor

\_\_\_\_\_  
THOMAS E. BATEY, II, County Trustee

**ATTEST:**

\_\_\_\_\_  
LISA CROWELL, County Clerk