

RESOLUTION NO. 13-021

**A RESOLUTION OF THE CANYON COUNTY BOARD OF COUNTY  
COMMISSIONERS ESTABLISHING AN INVESTMENT POLICY FOR  
CANYON COUNTY**

The following Resolution was considered and adopted by the Canyon County, Idaho Board of Commissioners ("Board") on the 20 day of February 2013.

Upon the motion of Commissioner HANSON and the second by Commissioner ALDER the Board resolves as follows:

**WHEREAS**, Idaho Code § 31-801 grants general powers and duties, subject to the restrictions of law, to the boards of county commissioners in their respective counties; and

**WHEREAS**, Idaho Code § 31-828 grants the Board authority "to do and perform all other acts . . . which may be necessary to the full discharge of the duties of the chief executive authority of the county government"; and

**WHEREAS**, Canyon County receives, deposits, invests, and manages millions of dollars each year; and

**WHEREAS**, Idaho Title 57, Chapter 1, governs the keeping of public funds and provides that the County Treasurer shall deposit and invest money subject to applicable direction from the Board of Commissioners; and

**WHEREAS**, Canyon County desires to invest funds prudently in order to maximize investment earnings while meeting the needs of Canyon County through the use of secured investments, pursuant to the directives contained in law, and in County policy.

**NOW THEREFORE, THE BOARD HEREBY RESOLVES** to adopt the Investment Policy attached hereto as Exhibit A.

**IT IS FURTHER RESOLVED BY THE BOARD**, that this Investment Policy shall replace all previous adopted Investment Policies for Canyon County and shall be effective this 20 day of February, 2013.

- Motion Carried Unanimously
- Motion Carried/Split Vote Below
- Motion Defeated/Split Vote Below

*Steven J. Rule*  
 STEVEN J. RULE, Chairman

Yes	No	Did Not Vote
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Kathryn Alder*  
 KATHRYN ALDER, Member

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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*Craig L. Hanson*  
 CRAIG L. HANSON, Member

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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ATTEST: CHRIS YAMAMOTO, CLERK

By: *Monica Jones*  
 Deputy Clerk

# **CANYON COUNTY INVESTMENT POLICY**

## **SECTION 1 – SCOPE OF THE INVESTMENT**

The Investment Policy of Canyon County shall apply to all operating funds, bond proceeds and other funds accounted for on the financial statements of Canyon County, unless otherwise provided by law. Each investment shall be made pursuant to this Investment Policy and applicable law.

## **SECTION 2 – DELEGATION OF AUTHORITY**

Idaho Title 57, Chapter 1, governs the keeping of public funds and provides that the County Treasurer shall deposit and invest money subject to applicable direction from the Board of Commissioners. The County Treasurer and/or those person(s) assigned by the Treasurer are empowered to invest surplus or idle funds as permitted by Idaho Code Section 67-1210.

The Canyon County Treasurer and/or those person(s) assigned by the Treasurer are further permitted to invest in authorized securities with primary or regional dealers.

Investments are to 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 Canyon County are public record.

## **SECTION 3 – OBJECTIVE OF INVESTMENT POLICY**

The primary objective of Canyon County is to safeguard all County funds while providing adequate liquidity to meet the County's daily needs. The priorities for investment decisions are (in order of importance):

- A. Safety of Principal;
- B. Maintaining the necessary liquidity to match expected liabilities; and
- C. Yield, obtaining a reasonable return.

The Treasurer of Canyon County, when investing or depositing public funds, shall exercise the care, judgment, skill, prudence, and diligence that would be used to attain the goals of this section. The Treasurer shall consider the role that the investments play within the portfolio of assets of Canyon County and the investment objectives stated in this policy, considering the probable safety of their capital as well as the probable income to be derived.

## **SECTION 4 – INSTRUMENTS ELIGIBLE FOR INVESTMENT**

Allowable investments, pursuant to Idaho Code are:

- A. Bonds, treasury bills, interest-bearing notes, or 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 institution forming a part thereof under the Farm Credit Act of 1971 (U.S.C., tit. 12, section 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, section 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. Repurchase 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 and federal savings and loan associations located within the geographical boundaries of the state in amounts**

not to exceed the insurance provided by 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, savings and deposit accounts of state and federal credit unions located within the geographical boundaries of the state in the amounts not to exceed the insurance provided by the national credit union share insurance fund and/or any other authorized deposit guaranty corporations, 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 whose 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) and Diversified Bond Fund (DBF). May invest in the LGIP and DBF.

The Canyon County Treasurer is further permitted to invest in authorized securities through local (Canyon County) offices or branches, nationally recognized reputable brokerage firms, local banks, and savings and loan institutions.

## **SECTION 5 – PROHIBITED INVESTMENTS PRACTICES**

Assets of Canyon County shall not be invested pursuant to the following investment practices:

- A. Trading securities for speculation or the realization of short-term trading gains.
- B. A contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.

In addition to the prohibited practices above, if a fiduciary or other third party with custody or management of County funds fails to provide records requested by Canyon County within twenty-four (24) hours (excluding non-business days), Canyon County may immediately terminate the relationship and withdraw all County funds.

## **SECTION 6 – CREDIT QUALITY AND COLLATERALIZATION**

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

1. Canyon County will strive to make investments locally as long as the rates remain competitive.
2. At the time of purchase all acceptable financial instruments must have a credit rating of A or better by a nationally recognized statistical rating organization.
3. Along with the investment quality of A or better on government agency bonds, all bank deposits must be FDIC insured or collateralized to secure deposits against possible bank depository default for failure.

## **SECTION 7 – DIVERSIFICATION**

Where possible, it is the policy of Canyon 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. Maturity of Security:**

1. Portfolio maturities should 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.
2. Liquidity practices to ensure that the next disbursement date and payroll due are covered through maturing investments or cash on hand shall be used at all times.
3. Securities should be purchased with the intent of holding them to maturity, unless it is advantageous to purchase the security at an attractive coupon rate knowing it has a feature that allows it to be called prior to maturity.

**B. Issuer of Security:** Not more than 50% of portfolio from the same issuer.

**C. Class of Security:** Not more than 50% of portfolio from same class.

## **SECTION 8 – SAFEKEEPING AND CUSTODY**

Confirmation of all purchases or sales of securities by Canyon County must be held by the Canyon County Treasurer within the Canyon County Treasurer's vault or designated files. If such confirmation of purchase and sale is retained in the vault, the Treasurer is authorized to leave the actual securities in the name of Canyon County on account with brokers or correspondent banks. Securities shall be safe kept with a third Party when possible.

## **SECTION 9 – ETHICS AND CONFLICT OF INTEREST**

The Treasurer and all officers and employees of Canyon County should act in accordance with the highest ideals of honor, integrity and ethics. Also, employees 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 three years or more frequently as appropriate.