

ORDINANCE NO. 186
AN ORDINANCE TO ESTABLISH AN INVESTMENT POLICY IN ACCORDANCE
WITH 30 ILCS 235/2.5 ET SEQ. FOR THE NORTHFIELD WOODS SANITARY
DISTRICT, COOK COUNTY, ILLINOIS.

WHEREAS, the Illinois General Assembly has enacted an amendment to the Public Funds Investment Act (30 ILCS 235/2.5 et seq.) concerning the safety and soundness of public investments; and

WHEREAS, the President and Board of Trustees of the Northfield Woods Sanitary District have determined that adopting an investment policy will be in the best interests of the Northfield Woods Sanitary District and will promote the public health, safety, comfort, moral, and welfare of the Northfield Woods Sanitary District and its residents.

NOW, THEREFORE, BE IT ORDAINED, by the President and Board of Trustees of the Northfield Woods Sanitary District, Cook County, Illinois:

1.01 Policy

It is the policy of the Northfield Woods Sanitary District (“NWSD” or “District”) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

1.02 Scope

This policy includes all funds governed by the President and Board of Trustees of NWSD.

1.03 Prudence

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 standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

1.04 Objective

The primary objective, in order of priority, shall be:

- Legality - conformance with federal, state and other legal requirements
- Safety - preservation of capital and protection of investment principal
- Liquidity - maintenance of sufficient liquidity to meet operating requirements
- Yield - attainment of market rates of return

The portfolio should be reviewed periodically as to its effectiveness in meeting the District's needs for safety, liquidity, rate of return, diversification and its general performance.

1.05 Delegation of Authority

Management and administrative responsibility for the investment program is hereby delegated to the Clerk who, under the delegation of the President and Board of Trustees, shall establish written procedures for the operation of the investment program.

1.06 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with or appear to conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

1.07 Authorized Financial Dealers and Institutions

The Clerk will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness.

1.08 Authorized and Suitable Investments

Investments may be made in any type of security allowed for in Illinois statutes regarding the investment of public funds. Investments shall be made that reflect the cash flow needs of the fund type being invested.

1.09 Collateralization

Funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent - third party institution in the name of the NWSD.

1.10 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the NWSD, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third party custodian designated by the Clerk and evidenced by safekeeping receipts and a written custodial agreement.

1.11 Diversification

NWSD shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

1.12 Maturities

To the extent possible, NWSD shall attempt to match its investments with anticipated cash flow requirements.

1.13 Internal Control

The Clerk is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting
- Custodial safekeeping
- Written confirmation of telephone transactions for investments and wire transfers

1.14 Performance Standards

This investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a comparable rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio.

1.15 Reporting

The Clerk shall prepare an investment report at least monthly. The report should be provided to the President and Board of Trustees and available on request. The report should be in a format suitable for review by the general public. An annual report should also be provided to the President and Board of Trustees.

1.16 Marking to Market

A statement of the market value of the portfolio shall be issued to the President and Board of Trustees annually.

1.17 Investment Policy Adoption

The investment policy shall be adopted by the President and Board of Trustees. The policy shall be reviewed on an annual basis by the Clerk and any modifications made thereto must be approved by the President and Board of Trustees.


Section 2: This ordinance shall be in effect upon its passage, approval and publication as provided by law.

PASSED this 7th day of March, 2000.

APPROVED this 7th day of March, 2000.

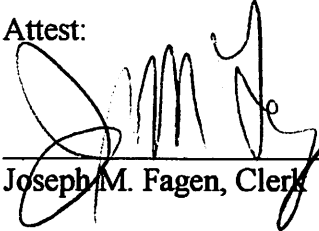
AYES: 3
NAYES: 0
ABSENT: 0

Approved:



Frank S. Ness, President

Attest:



Joseph M. Fagen, Clerk

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